DOCUMENT RESUME

ED 422 784 HE 031 513

TITLE	Direct Loan School Guide, 1998-1999. A Better Way To Borrow. The William D. Ford Federal Loan Program.
INSTITUTION	Office of Postsecondary Education, Washington DC. Student Financial Assistance Programs.
PUB DATE	1998-07-00
NOTE	501p.
AVAILABLE FROM	U.S. Department of Education, 600 Independence Ave., SW, Washington, DC 20202.
PUB TYPE	Guides - Non-Classroom (055)
EDRS PRICE	MF02/PC21 Plus Postage.
DESCRIPTORS	College Administration; Compliance (Legal); *Eligibility; Federal Programs; Financial Support; *Government School Relationship; Higher Education; *Recordkeeping; Student Financial Aid; *Student Loan Programs
IDENTIFIERS	*Direct Lending; *Federal Direct Student Loan Program

ABSTRACT

This guide for postsecondary education institutions provides guidelines for administering the William D. Ford Federal Direct Loan Program. Chapter 1 describes general participation and origination criteria. Chapter 2 describes the electronic support the Department of Education provides, including information on Electronic Data Exchange (EDE), EDExpress, and the direct loan component of EDExpress. Chapter 3 describes information available to schools and students via the department's Direct Loan web site. Chapter 4 offers guidance on explaining the Direct Loan program to borrowers and potential students. Chapter 5, on establishing student eligibility, describes the application process, determination of loan amounts, and loan monitoring. Chapter 6 explains the process for creating origination records and promissory notes and transmitting them to the Direct Loan Origination Center for action. Chapter 7 describes the procedures for making Direct Loan fund requests, disbursing funds, and reporting disbursements. Reconciliation accounting is discussed in chapter 8; and chapter 9 provides a brief discussion of the Student Status Confirmation report process. Chapter 10 covers issues related to servicing and problem resolution. The final chapter describes the Direct Loan Quality Assurance Program. The 26 appendices include sample copies and detailed explanations of various application forms and statements and sample letters.(DB)

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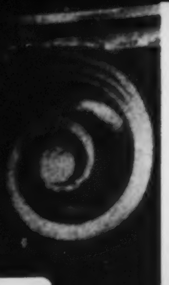

a better way to borrow

1998-1999

Direct Loans

School Guide

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THE WILLIAM D. FORD FEDERAL LOAN PROGRAM

DIRECT LOAN SCHOOL GUIDE
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OVERVIEW

This *School Guide* gives you simple answers to your questions about how to administer the William D. Ford Federal Direct Loan Program (Direct Loans) and describes how to access the additional resources available to you. It is organized into chapters that address aspects of the Direct Loan Program affecting school functions. Some chapters deal with more than one function, as some tasks are interrelated.

Chapter 1: Direct Loan Participation describes general participation and origination criteria.

Chapter 2: Electronic Resources describes the electronic support the Department provides, including information on Electronic Data Exchange (EDE), EDExpress, and the Direct Loan component of EDExpress (Direct Loan software.) Reference telephone numbers are provided.

Chapter 3: Education Department Resources for Schools and Students on the World Wide Web describes the information available to schools and students via the Department's Direct Loan web site.

Chapter 4: Information and Counseling for Borrowers provides information and guidance to assist you in disseminating information to Direct Loan borrowers and other students interested in attending your school.

Chapter 5: Establishing Student Eligibility provides information on the student application process, determination of loan amounts, and loan monitoring.

Chapter 6: Origination Records and Promissory Notes explains the process for creating these loan records and documents, and transmitting them to the Direct Loan Origination Center (LOC) for action.

Chapter 7: Receiving and Disbursing Funds describes the procedures for making Direct Loan fund requests, disbursing funds and reporting disbursements.

Chapter 8: Reconciliation discusses the process of accounting for Direct Loan funds between the school and the Loan Origination Center.

Chapter 9: Certifying Borrower Enrollment briefly discusses the Student Status Confirmation Report (SSCR) process.

Chapter 10: Direct Loan Servicing Center Response and Support covers issues related to servicing and problem resolution.

Chapter 11: Quality Assurance provides basic information about the Direct Loan Quality Assurance Program.

Each chapter begins with a list of essential questions related to the chapter's contents. These are questions you and your colleagues may have asked about the Direct Loan Program. Answers to the questions are provided throughout the narrative.

Charts are included to help you visualize procedures and choose the best option for implementing a simple process and a flexible system for your borrowers and school.

Records Management principles have been incorporated throughout the *School Guide* where appropriate, rather than designating a specific chapter on this topic.

A body of reference information is incorporated as appendices at the end of the *School Guide*. This information includes a sample list of Direct Loan regulatory citations and Department publications.

The *School Guide* also contains the following:

- telephone numbers for the Department and its contractors including the Direct Loan Task Force, the Regional Direct Loan Client Account Management staffs, the Direct Loan Origination Center, the Central Processing System, and Title IV Wide Area Network, and the Direct Loan Servicing Center
- samples of school and borrower forms such as promissory notes, borrower's rights and responsibilities information, and promissory note manifests
- samples of Servicing Center communications to borrowers
- samples of Loan Origination Center communications to schools
- Web site information

Program Description

Direct lending includes the concepts of direct financing, direct delivery, and direct communications. The federal government, rather than financial institutions, provides the loan capital for Direct Loans. Participating schools, acting on behalf of the government, deliver loan funds to student and parent borrowers. Schools do not service or collect Direct Loan repayments; the Direct Loan Servicing Center handles these functions.

School Functions

Participating schools perform a variety of functions under the Direct Loan Program:

- determining borrower eligibility and loan amounts
- creating loan origination records
- providing required entrance counseling to first-time borrowers
- obtaining signed promissory notes from borrowers (Option 1 and 2 schools only)
- sending loan origination records to the Loan Origination Center
- sending signed promissory notes to the Loan Origination Center (Option 1 and 2 schools only)
- requesting Direct Loan funds (Option 2 schools only)
- receiving Direct Loan funds from ED
- certifying borrowers' enrollment status
- disbursing loans to eligible borrowers
- reporting disbursements to the Loan Origination Center
- reconciling the Direct Loan School Account Statement (DLSAS) to internal records on a monthly basis
- returning unused funds
- providing required exit counseling to borrowers
- implementing a quality assurance program, as required by ED

Many of these tasks should be familiar to you because they are required for other Title IV Student Financial Aid Programs such as the Federal Family Education Loan [FFEL] Program. The *School Guide* includes practical information for handling these functions.

Chapter 1
Direct Loan Participation

Essential Questions

- What are the administrative requirements?
- Is my school prepared to implement an Electronic System for processing student loans?
- What resources are available to assist the school to participate electronically?
- Which level is appropriate for my institution?
- What are the different levels of participation for Direct Loans?
- What are the functions of each level?
- Should my school participate 100 percent in Direct Loans, or should my school phase in?
- Does the school receive an administrative fee for originating loans?
- Is it better for my school to participate in a consortium or as an individual institution?
- How does the school withdraw from the program?

Eligibility Criteria

To qualify for initial participation in the Direct Loan Program, a school must

- meet the eligibility requirements of section 435(a) of the HEA
- have a cohort default rate of less than 25 percent for at least one of the three most recent fiscal years, unless the school is exempt under section 435 (a)(2)(C)
- not be subject to emergency action or a limitation, suspension, or termination action.

A school must also execute a Direct Loan Program Participation Agreement (PPA) *(Direct Loan Addendum)* separate from the PPA for Title IV programs and have or will soon have the technological capacity to participate electronically.

To maintain eligibility, a school must continue to meet the eligibility requirements of section 435(a) of the HEA and have a cohort default rate of less than 25 percent for at least one of the three most recent fiscal years, unless the school is exempt under section 435(a)(2)(C).

Payment for Origination Services

For 1998-99, there are no payments for origination services.

Origination Options

There are three origination options under which a school may participate in the program—Standard, Option 1 and Option 2. The chart on the next page identifies the functions associated with each origination option.

Once a school expresses interest in Direct Loan participation, the Department reviews the school's eligibility for each origination option and notifies the school of the origination options under which they are eligible to participate. Any school participating in the Direct Loan Program under 685.400 of the regulations is eligible to participate under Standard Origination. Schools meeting the additional criteria shown below may originate loans under Option 1 and Option 2.

Additional Criteria for Originating Loans Under Options 1 and 2

Schools must

- be currently participating in the Federal Perkins Loan Program or in the Federal Pell Grant Program. A graduate or professional school must have participated in a similar program for the three most recent years
- not be on the reimbursement system of payment in the Federal Pell Grant Program
- have had no severe performance, audit, or program review deficiencies for any Title IV program
- be financially responsible in accordance with the standards of 34 CFR 668.15
- be current on program and financial reports and on Title IV audits for the 12 months immediately preceding the Direct Loan application date

- be current on required Federal cash transaction reports and have no final determination of cash on hand that exceeds "immediate need"
- have no material findings in annual financial audits submitted for the three most recent years preceding the Direct Loan application date
- provide assurance that the school has no delinquent debts to the Federal government (unless the debts are being repaid under an arrangement satisfactory to the government, or unless the Department of Education decides the appropriate federal agency has not determined the existence or amount of the debts).

FUNCTIONS	STANDARD	OPTION 1	OPTION 2
Create loan origination record	School	School	School
Transmit record to the Loan Origination Center (LOC)	School	School	School
Prepare promissory note	LOC	School	School
Obtain completed/signed promissory notes from borrowers	LOC	School	School
Transmit promissory notes to LOC	N/A	School	School
Determine funding needs	LOC	LOC	School
Initiate drawdown of funds	LOC	LOC	School
Receive funds electronically	School	School	School
Receive actual disbursement roster	School	School	N/A
Disburse loan funds to borrowers	School	School	School
Create disbursement records	School	School	School
Transmit disbursement records to LOC	School	School	School
Reconcile monthly Direct Loan School Account Statement (DLSAS)	School	School	School

Deciding on the Type of Participation

Before your school enters the Direct Loan Program, you must consider the option under which you *wish* to participate and the option under which you are *eligible* to participate. It is important to understand the responsibilities associated with each option and to determine if it is appropriate for your school.

As you make this decision, think about your staffing levels, service to students, demands your campus makes on you, and commitment from institutional resources. You must decide what is best for your school and how much control you want to have. Also consider the level of support your school will provide--for example, from the computer center and the business office.

100 Percent Participation vs. Partial Participation

In addition to deciding your level of participation, you will need to determine if you want to participate fully in the Direct Loan Program. In other words, should all students receive Direct Loans or should some of your students receive Direct Loans and some receive Federal Family Education Loan Program (FFEL) loans? Keep in mind that a student cannot receive both types of loans for the same loan period, but your institution can participate in both programs.

When determining how you will participate, you may want to consider the following factors:

- your ability to manage two programs—consider
    - staffing
    - training
    - possibility of confusion (for students and staff)
    - how much support you have at your school for a new program
    - the efficiency and cost effectiveness of the FFEL Program to determine how easy it would be for you to run parallel programs.
- your student population—consider
    - the importance of keeping students in one loan program (grandfathering Direct Loans into your school by using the program only for new students)
    - the mix of graduate/professional and undergraduate students (graduate students may have many years of loans behind them from their undergraduate education).

Changing Origination Status

At any time, an Option 1 or Option 2 school may participate under an option with less responsibility and control. To do so, the school must notify the Department in writing and await a reply with an effective date.

A Standard Origination or Option 1 school can apply to participate under an option with more responsibility and control after one full year of participation at the initial origination status. The Department considers these applications annually and bases its decision on a school's prior year performance, as well as the criteria found in 34 CFR 685.402.

- Schools can request participation changes by writing to:

  School Selection Team/PAIB/IPOS
  U.S. Department of Education
  Room 3925, ROB-3
  600 Independence Avenue, SW
  Washington, DC 20202-5232

  Or by faxing requests to 202-708-9485, ATTN: Daniel Dietz

- Before deciding if you want to change your origination status, review the Direct Loan *School Guide* chapters on origination records, promissory notes, funding requests and disbursement.

- Establish a plan and timeline for implementation.

- Identify procedural changes that may be needed and implement new procedures as appropriate.

- Develop a processing schedule for creating and submitting records.

Consortia

Schools may participate in the Direct Loan Program through consortia arrangements. A consortium is a group in which each school may perform certain school-based functions shown on page 1-3; however, only one school communicates with the Department for all schools in the group. Each school in the consortium must be eligible to participate in Direct Loans, must sign an individual Direct Loan Addendum, and must meet the criteria to originate loans *at the chosen level of participation.* Each must participate at the same level and is responsible for the information it supplies through the consortium's lead school.

Participation in a consortium arrangement may benefit schools that wish to use the administrative and computer resources of one school rather than obtain such resources themselves. A consortium can reduce the individual effort by one school and save resources:

- For example, a group of small schools currently operating manually might form a consortium and develop one of the schools as a "site" or "destination" for all computer activity associated with the Direct Loan Program. This arrangement may benefit schools with similar missions and populations.

Points to Consider in Managing Direct Loans

- Develop a list of your constituents, including prospective students, their parents, high school counselors, other campus administrators, regents, etc.
- Make sure that all who need to know about the school's decision to participate in Direct Loans are kept informed.
- It might be appropriate to designate one or two people in your office as official Direct Loan spokespersons.
- Develop a team approach to Direct Loans at your school. As you can see from the discussion in this chapter, the issues to consider will involve staff other than financial aid office personnel. Teams, committees, working groups, and task forces are all ways to encourage communication and commitment.
- Assess your school's resources, including mainframe and/or personal computer systems. Depending on your level of automation, you may want to phase-in the Direct Loan Program.
- Use the "Five Steps" outlined in the Direct Loan Planning Guide to implement the Direct Loan Program and your Direct Loan Quality Assurance System. These steps are progressive and serve as a base for launching a quality Direct Loan program that has recurring assessment activities for continuous improvement.
- Develop a collaborative problem-solving approach. Use the Direct Loan Program to re-think the process of providing customer service to your students. Identify the issues that need to be explored and the timeframe for resolution.

Withdrawal Procedures

Participating schools may withdraw from the Direct Loan Program at any time by submitting a written request to the Department (see the address on the previous page), giving the reason for withdrawal and an effective date, which must be at least 60 days later than the date of the notification or the withdrawal request date. Unless the Department approves an earlier date, the withdrawal date will be the date the school selects or 60 days after the school notifies the Department. The Department may initiate a school's withdrawal if there are performance or eligibility problems.

Certain activities related to program withdrawal are necessary, such as closeout audits (Title IV Audits) and a final reconciliation of Direct Loan funds, including the submission of all disbursement records and return of excess cash.

Chapter 2
Electronic Resources for Origination and Reconciliation

Essential Questions

✦ What are the advantages of participating through Electronic Data Exchange (EDE)?

✦ What do I need to know when deciding whether to use the Department's Direct Loan software?

✦ What are the hardware and software requirements for my campus?

✦ Do I need to integrate the Direct Loan software data with my school's system?

✦ Where can I get technical assistance?

Participation Through Electronic Data Exchange (EDE)

Schools participating in the Direct Loan Program are required to participate electronically. As a result, participating schools exchange Direct Loan data with the Department when processing Direct Loans. This exchange of data is referred to as Electronic Data Exchange (EDE) and is a service provided through the Title IV Wide Area Network (TIV WAN).

The Department provides electronic support for all aspects of Direct Loan processing through EDE, including software and software requirements. The Direct Loan software is free, updated annually, and distributed as a component of EDExpress. Schools and software vendors have the option of receiving a Technical Reference for use in designing custom software. Software options available to participating schools include:

✦ using the EDExpress software the Department provides;

✦ developing their own software;

✦ using third-party vendor software;

- using the EDExpress software in combination with their own; or
- using a commercial software package, which contains a Direct Loan component.

In addition to processing Direct Loans, schools that use EDExpress can also

- enter and transmit initial, renewal, and corrections to FAFSA applications;
- draw down Institutional Student Information Record (ISIR) data from the Central Processing System (CPS) to be imported and used with other software packages;
- execute functions to draw down Direct Loan funds through the Department's Grants Administration and Payment System (GAPS).

Implementation

Schools may use the EDExpress Direct Loan module to process Direct Loans. Recommended hardware and software requirements for operating the EDExpress software are provided in the chart at the end of this chapter.

Schools have several options in implementing an automated Direct Loan system. You may use EDExpress software in concert with your current system, replace your current system with EDExpress, use a third party software with a Direct Loan module, or modify your current system to include all software requirements.

You should consider the following as you develop your implementation plan:

- It may be helpful to talk with schools that have already implemented the program.
- When implementing Direct Loan processing, will you require support from your main campus computer facility, or can modifications be made solely in your office without relying on main campus support?
- If changes can be made within your office, how will you restructure staff to provide the time necessary to develop or implement a new system? Which staff members should be involved?
- Can Direct Loan software create security groups with various user-access levels?
- Can automation changes or enhancements be justified through Direct Loans, thereby benefiting your overall financial aid processing operations?

- If changes require outside resources, whom will you need to involve? Are there other campus projects taking place at the same time? If so, how does the Direct Loan Program fit with other campus priorities?
- Should you hire a temporary technical person to help get you started?
- Can you work with other Direct Loan schools using the same commercial financial aid software to integrate that software with Direct Loan software?
- Do you have a way to deal with software maintenance? Will it be easier to maintain your mainframe or your PC?

Technical References and Support

For additional information on EDE and for technical assistance with the Direct Loan component software and hardware requirements, call

- Central Processing System
  1 (800) 330-5947, from 8 A.M. to 7 P.M. CT
- You may also contact an EDE Specialist at the Department of Education at 1 (202) 708-8270.

For a copy of the Department's Direct Loan Technical Reference (a manual to develop Direct Loan software for your school, using a mainframe, PC, or a combination of the two), or if you would like test case data, call the Title IV WAN Customer Service. Custom School Technical Support can help with questions about the content of the Technical Reference.

- Title IV Wan Customer Service
  1 (800) 615-1189
  from 7 A.M. to 7 P.M., CT
- Custom School Technical Support
  1 (800) 756-4220
  8:30 A.M. to 5 P.M., CT

Minimum Hardware and Software Requirements

	Current Minimum Configuration (Depending Upon Volume and Usage)	Minimum Configuration Required by **January 1999**
Equipment	IBM or fully IBM-compatible PC	IBM or fully IBM-compatible PC
	66 MHZ Processor 486 DX2	200 MHz Pentium Processor or comparable
	16 MB RAM	64 MB RAM
	300 MB Hard Disk space	4.0 GB SCSI Hard Drive
	14,400 bps or higher baud Hayes or comparable Modem	56L Analog Modem
	3.5"/1.44MB Diskette Drive	3.5"/1.44MB Diskette Drive
	SVGA Monitor	SVGA Monitor
	Standard Keyboard	Windows 95 Keyboard
	Printer capable of printing on standard paper (8 ½" x 11")	Laser printer capable of printing on standard paper (8 ½" x 11")
	4x CD-ROM Drive with sound board*	12x CD-ROM Drive with sound board*
Software	MS-DOS version 6.2 or higher; Windows 3.1, 3.11, or 4.95	32 bit operating system (Windows 95 or Windows NT 4.x)
	Internet Service Provider (ISP)**	Internet Service Provider (ISP)**
	Netscape Navigator 3.0 or 3.01 (domestic) or web browser***	Netscape 3.0 or 3.01 (domestic) or web browser***
Phone Line	Dedicated Phone Line	Dedicated Phone Line
Diskettes	3.5" high-density double-sided diskettes	3.5" high-density double-sided diskettes

* Required if institutions want to use the EDExpress Tutorial and the AWARE software.

** Will be necessary to access the "Info Financial Aid Professionals" web site.

***Currently must use Netscape Navigator 3.0 or 3.01 (domestic) in order to utilize FAFSA on the web.

Chapter 3

Education Department Resources for Schools and Students On the World Wide Web

Essential Questions

✦ Where can I find the Direct Loan Web Page?

✦ What information is available to students?

✦ What information is available to schools?

Information Available to Schools and Students via the Web.

The Department has a Direct Loan web site with extensive information for students and schools. The URL is http://www.ed.gov/DirectLoan

For students:

✦ Students who browse the Direct Loan web site will find all Direct Loan Guides, publications, and links to FAFSA Title IV School Code lists, Direct Loan deferment and forbearance forms, and Direct Loan consolidation information.

✦ An interactive budgeting worksheet and calculator that allows a student to estimate financial needs and create a budget for school and living expenses. This calculator lists most of the critical items (tuition, books, scholarships, and family contributions) to help students consider all expenses and resources. After completing all of the appropriate entry fields, the student clicks "calculate" and total resources, expenses, and balance are computed for the academic year. The interactive budget worksheet is accessed by clicking on the "Interactive Calculator" link or on the "Financial Aid for Students" link.

✦ With the Repayment Calculator, borrowers can compute the initial monthly payments he or she would make under each of the Direct Loan repayment plans. The borrower enters the amount borrowed, clicks on "calculate" and the repayment calculator will estimate monthly payments (total principal and interest for the life of the loan) for each of the Direct Loan repayment plans (Standard, Extended, Graduated or Income Contingent). The repayment calculator is accessed by clicking on the "Interactive Calculator" link or on the "Financial Aid for Students" link.

- A Direct Consolidation Loan calculator was added to the repayment calculator page in mid-summer 1998. This calculator has a data entry worksheet with entry fields for all loans that may be consolidated. The borrower inputs the amount of each loan he or she wishes to consolidate, then clicks "consolidate" to bring up a summary for each repayment plan.

- Borrower Account Information. A borrower can access current loan information by entering Social Security Number, birthdate, and zip code. He or she can see his or her last loan payment and payment due date, and current balance. The borrower's loan status (whether current, in forbearance, in deferment, or default) is also identified. Borrower Account Information is accessed through the "Financial Aid for Students" link.

For schools:

- A variety of documents are posted for financial aid administrators. The growing library of technical directives includes Direct Loan Bulletins and counseling guides, training calendars, Direct Loan newsletters, and a link to Direct Loan regulations and all Dear Colleague letters.

- Other areas include information on Direct Loan consolidation, including downloading application forms, Direct Loan deferment and forbearance forms, FAFSA on the Web, Title IV school codes, links to GAPS and school links that link users to web sites of schools participating in the Direct Loan Program.

- If your institution has a web site and would like the address added to the Direct Loan School list on the web, please send your school's name and web site address to erica_smith@ed.gov or joyce_rice@ed.gov.

Chapter 4
Information and Counseling for Borrowers

Essential Questions

- How can I explain the new program to my students?
- What is the official name of the program? How should the name appear in our publications?
- Does the Department have publications about the Direct Loan Program?
- Will the Direct Loan Servicing Center send communications to students?
- Does the Department have publications that explain interest rates and repayment options?
- Are there any sample repayment schedules?
- For which borrowers must I provide entrance and exit counseling sessions? When do I hold these sessions?
- What latitude does a campus have in developing its own entrance and exit counseling materials?
- How can a student learn about variable interest rates, capitalization, discharge (cancellation), deferments, forbearance, and consolidation?

Explaining the Direct Loan Program to Borrowers

With any new program, it is important to integrate information into all your existing publications, presentations, counseling sessions, and phone contacts. You might want to consider preparing news releases and newsletters to inform borrowers about the Direct Loan Program and your school's participation. You may also refer them'to the Direct Loan web site at www.ed.gov/DirectLoan

In communicating about Direct Loans, the official name of the program is the **William D. Ford Federal Direct Loan Program.** It may be abbreviated as the Direct Loan Program or Direct Loans. Several loan types are available under the Direct Loan Program. These are

✦ Federal Direct Stafford/Ford Loans (subsidized)

✦ Federal Direct Unsubsidized Stafford/Ford Loans (unsubsidized)

✦ Federal Direct PLUS Loans

✦ Federal Direct Consolidation Loans.

Explaining New Terms

It may be helpful to define certain words associated with the Direct Loan Program. Several years ago, the Federal Perkins Loan was called a Direct Loan. For students coming back to school or for others involved with that program, the name "Direct Loan Program" may be confusing. The term "Servicing Center" may be new to borrowers as well. "Servicing Center" under Direct Loans is not synonymous with the term "servicer" under the FFEL Program.

Department Publications

To help you communicate about Direct Loans, the Department has published several booklets that you can give to students and parents:

✦ *Direct Loans: A Better Way to Borrow* summarizes the Direct Loan Program and includes information on application procedures and loan limits. The booklet also briefly describes the repayment options and outlines the advantages of Direct Loans for student and parent borrowers, schools, and taxpayers.

✦ *All About Direct Loans* gives students detailed information about the Direct Loan Program, including loan repayment, deferment provisions, and the consequences of default.

✦ *Direct PLUS Loan Basics* provides a basic overview of Direct PLUS Loans for parent borrowers.

✦ *Direct PLUS Loans* provides more detailed information on Direct PLUS Loans, including eligibility criteria, the application process, repayment options, and deferment and forbearance provisions. It also assists parents in determining how much they can afford to borrow.

You can call the Direct Loan Origination Center at 1-800-848-0978 to order these and other publications.

Direct Loan Servicing Center Communications

Your borrowers will receive various communications from the Direct Loan Servicing Center. The Appendices to this Guide contain sample correspondence from the Direct Loan Servicing Center to borrowers, which include:

- Disbursement confirmation
- Quarterly and annual statements
- Repayment options information

Your staff should have sample correspondence available. Your staff should understand the intent of the notifications and any action the borrowers may be required to take. Although all notifications will provide contact information for the Direct Loan Servicing Center, borrowers are likely to contact the financial aid office first.

It may be helpful to inform your students about what they will receive from the Servicing Center before the communication is sent. For example, students will receive a notice within 10 working days after each disbursement has been accepted on a booked loan. A borrower may incorrectly assume the letter requests loan repayment and may contact your office with questions.

Repayment Plan Information

Communicating about the Direct Loan Program includes providing information to borrowers about repayment options. The repayment plans have been designed to meet borrowers' unique financial needs. The Direct Loan Servicing Center will provide information on the various repayment plans as the borrower approaches his or her repayment period. It is important to encourage your borrowers to carefully read the information as they choose a repayment plan. The charts on the following pages describe the plans.

The Department's *Repayment Book* explains in detail the four repayment plans and gives examples of how each plan works. It includes a table that allows borrowers to see at a glance approximately how much they would repay (per month and in total) under each repayment plan (assuming different debt levels). Worksheets and supplementary charts allow borrowers, including Direct PLUS Loan borrowers, to estimate what they would owe under each repayment plan based on their actual circumstances. The *Repayment Book* will help borrowers choose the best repayment plan. Also available to assist borrowers is the Direct Loan Repayment Calculator located on the Department's Direct Loan Website (www.ed.gov/DirectLoan).

DIRECT LOAN PROGRAM REPAYMENT PLANS

Standard Repayment Plan	• Maximum repayment period of 10 years (not including time in deferment or forbearance) • Fixed payments of at least $50 per month • Number of payments or the fixed repayment amount may be adjusted to reflect changes in the variable interest rate
Extended Repayment Plan	• Fixed monthly payments during an extended period of time that varies with the loan amount (refer to the table on the next page) • Fixed payments of at least $50 per month • Monthly payment amount may be adjusted annually to reflect changes in the variable interest rate
Graduated Repayment Plan	• Payments will start out low, then increase, generally every two years • Paid over a period of time that varies with the total loan amount (refer to the table on the next page) • Initial monthly payments will be equal to the greater of the interest that accrues between payments, or 50% of the payment that would be made under the Standard Repayment Plan. Payments will never increase to more than 150% of what the borrower would repay under the Standard Repayment Plan. • Monthly payment amount may be adjusted to reflect changes in the variable interest rate
Income Contingent Repayment Plan (not available to Direct PLUS loan borrowers)	• Maximum repayment period of 25 years (not including periods of deferment or forbearance) • Monthly repayment amount is adjusted each year based on total amount of loans, Adjusted Gross Income (AGI), and family size • Borrowers repay the *lesser* of (1) the amount they would pay if they repaid their loans in 12 years, multiplied by an income percentage factor that varies with annual income, or (2) 20 percent of discretionary income (AGI minus the poverty level for a given family size) • In the first year of repayment, and usually in the second year of repayment, borrowers must submit alternative documentation of income (such as pay stubs) to reflect *current* income

REPAYMENT PERIODS FOR EXTENDED OR GRADUATED PLANS

Total Direct Loan Amount	Time
• Less than $10,000	Within 12 years
• Greater than or equal to $10,000 but less than $20,000	Within 15 years
• Greater than or equal to $20,000 but less than $40,000	Within 20 years
• Greater than or equal to $40,000 but less than $60,000	Within 25 years
• Greater than or equal to $60,000	Within 30 years

Entrance and Exit Counseling

One of the most important ways of providing information to borrowers about Direct Loans is through entrance and exit counseling.

Entrance Counseling

All schools (except those participating in an experimental site contract) must conduct entrance counseling for first-time student borrowers before disbursing a Direct Subsidized or Direct Unsubsidized Loan to the student borrower. The counseling may be done in person or by using a videotape presentation or computer-assisted technology (such as the Internet, computer-based training, or an automated calling system). Counseling sessions conducted by video or computer-assisted technology must meet the same requirements as those sessions conducted in person. If counseling is by video or computer-assisted technology, a counselor with Title IV knowledge must be available shortly after the counseling to answer questions. The borrower must not be able to circumvent the counseling or leave before completion, and you must document that the borrower completed counseling. Exceptions are made for correspondence school and study abroad programs. In these instances, you must provide borrowers with written counseling materials by mail before you disburse the loan funds.

As part of your school's quality assurance plan (see Chapter 11), you may design entrance counseling to suit your students' needs. Under this approach, called "alternative counseling," you must provide all full-time borrowers with written counseling materials—including performance measures such as withdrawal, default rates, and levels of borrowing, to demonstrate the effectiveness of the alternative counseling.

Review the procedures for withholding funds from students who have not participated in entrance counseling. If you already use Electronic Funds Transfer (EFT), you probably have procedures in place. If your current process is based on your office receiving a check, however, and if you operate with a student accounts system, the way you handle entrance counseling tracking may change with Direct Loans. You should consider how your process will indicate that students have met the required entrance counseling activity so that Direct Loan disbursements are authorized correctly.

For example, many institutions with student accounts systems use the FFEL loan check as a mechanism to trigger the review of the entrance counseling requirement. With Direct Loans, the money is credited to the student's account and this trigger no longer exists. Therefore, you will need to design a method to flag students who have not participated in entrance counseling before crediting their accounts.

Exit Counseling

Exit counseling is required for all Direct Subsidized and Direct Unsubsidized loan recipients before they cease to be at least half-time students at your institution. **The counseling must be done in person,** with exceptions for correspondence school students and students who withdraw without notice. While in-person counseling is not required for those two categories of students, you must mail them exit counseling materials.

Counseling Materials

Keeping borrowers informed of their obligations and rights and responsibilities is essential to the Direct Loan Program's success. To assist Direct Loan schools, the Department will provide all necessary materials for entrance and exit counseling. Schools, however, are not required to use these materials and may develop their own materials if they choose. If schools develop materials, they should refer to section 34 CFR 685.304 of the Direct Loan regulations for counseling requirements.

The Department's entrance and exit counseling materials consist of booklets as well as companion entrance and exit counseling videotapes.

✦ *The Entrance Counseling Guide for Borrowers* covers topics such as loan amounts, interest rates, capitalization of interest, and—briefly—the repayment plans. Also discussed are deferments, forbearance, and the consequences of default. A sample entrance counseling quiz, a loan history worksheet, and a glossary of common Direct Loan terms are included as well. It includes tips on how students can budget their money (and provides a planning worksheet) so that students will have enough to stay in school and to repay their loans later.

- *The Entrance Counseling Guide for Counselors* offers tips on what to cover in entrance counseling and gives explanations that follow the order of topics in the Entrance Counseling Guide for Borrowers.

- The *Exit Counseling Guide for Borrowers* explains the Direct Loan Servicing Center's role, the various repayment plans, Direct Consolidation Loans, deferment and forbearance provisions, and discharge (cancellation). The publication spells out the consequences of default and offers suggestions on how borrowers can budget once they leave school so they can avoid default. A list of borrower rights and responsibilities is also included.

- *The Exit Counseling Guide for Counselors* explains what to cover to meet the Department's regulatory requirements, offers tips on organizing counseling sessions, and presents an outline of discussion topics that follows the order of topics in the Exit Counseling Guide for Borrowers.

Exit Counseling Support

The Loan Origination Center and the Direct Loan Servicing Center provide support to assist schools with exit counseling. A school may receive borrower-specific exit counseling packages for its graduating borrowers by notifying the Loan Origination Center. The school must specify the desired time of receipt, *i.e.*, 30, 60 or 90 days prior to the anticipated graduation date.

Chapter 5
Establishing Student Eligibility

Essential Questions

- ✦ How much money can a student borrow under the Direct Loan Program?
- ✦ How does a student apply for a Direct Loan?
- ✦ Will the student need to complete supplemental applications?
- ✦ How is eligibility for Direct Subsidized and Unsubsidized Loans determined?
- ✦ How is Direct PLUS Loan eligibility determined?
- ✦ How much money can a parent borrow under the Direct PLUS Loan Program?
- ✦ Who is responsible for the parent's credit check?
- ✦ What happens if a parent is denied a Direct PLUS Loan?
- ✦ How will schools be notified if a parent's credit has been approved or denied?

Some Provisions Common to the FFEL Program

Most Direct Loan provisions are similar to those of the FFEL Program. For example:

- ✦ annual and aggregate loan limits are the same for Direct and FFEL Loans (see the loan limits chart on page 4-3)
- ✦ Direct Subsidized and Unsubsidized Loans are tracked using the National Student Loan Data System (NSLDS) and the Financial Aid Transcript using the same system as FFEL.

Student Eligibility

The first step in the loan process is establishing a borrower's eligibility. This process is very similar to the process for other Title IV programs in which your school may already participate.

The general sequence of actions is as follows:

- All students applying for Direct Loans use the paper Free Application for Federal Student Aid (FAFSA), the Renewal FAFSA, the electronic FAFSA Express, or FAFSA on the web (www.fafsa.ed.gov). Data may also be entered through EDExpress at a school. There is no separate Direct Loan application.

- Dependent students must have their parents complete the appropriate FAFSA sections.

- The Central Processing System (CPS) conducts required database matches and calculates a student's Expected Family Contribution (EFC) according to the federal need analysis.

- You receive an electronic Institutional Student Information Report (ISIR) from the CPS or a paper Student Aid Report from the student.

- You determine the cost of attendance, then use the CPS-calculated EFC (or an EFC you have adjusted) and the estimated financial assistance to determine the student's financial need. Note that you are not required to resubmit corrections or adjustments for recalculation of the EFC to the Central Processing System (CPS) unless the student's Pell grant eligibility is affected.

- You use the EDExpress optional packaging module (an operating system function that schools can customize) or another packaging tool (for example, your current packaging procedures) to create an award package.

- You notify the student of the anticipated Direct Loan award amount through an award letter, generated by the EDExpress award packaging module, or through your own method of award notification.

- If the student is selected for verification, he or she must submit appropriate income tax forms or alternative documents. If the student is not selected for verification, you may decide whether to require additional documentation.

Direct Loan Program: Annual Loan Limits

Student Year	Length of Program or Final Period of Study			
	Full Academic Year	2/3 to less than full academic year	1/3 to less than 2/3 academic year	Less than 1/3 academic Year
1st year Dependent and Independent Students Subsidized and Unsubsidized	$2.625	$1.750	$875	0
Independent Student Unsubsidized	$4.000	$2.500	$1.500	0
2nd year Dependent and Independent Students Subsidized and Unsubsidized	$3.500	Proportional Proration	Proportional Proration	Proportional Proration
Independent Student Unsubsidized	$4.000	$2.500	$1.500	0
3rd year or higher Dependent and Independent Students Subsidized and Unsubsidized	$5.500	Proportional Proration	Proportional Proration	Proportional Proration
Independent Student Unsubsidized	$5.500	Proportional Proration	Proportional Proration	Proportional Proration

Annual Loan Limits for Graduate Students

- Graduate students may borrow up to $18,500 annually in a combination of subsidized and unsubsidized loans. No more than $8,500 may be in subsidized loans.

Aggregate Loan Limits

Subsidized Loans

- $23,000 for undergraduate study
- $65,500 for graduate study, including loans for undergraduate study

Combined Subsidized and Unsubsidized Loans

- $23,000 for a dependent undergraduate student
- $46,000 for an independent undergraduate student (and for dependent students whose parents are unable to borrow Direct PLUS Loans)
- $138,500 for a graduate or professional student (including loans for undergraduate study).

PLUS Eligibility and Loan Limits

A parent applicant must fill out a separate Federal Direct PLUS Loan Application and Promissory Note and must meet specific credit requirements to receive a Direct PLUS Loan. If you are a Standard Origination school, the Loan Origination Center will send a PLUS Loan Application and Promissory Note to the parent based on the information obtained from the loan origination record you create.

If you are at an Option 1 or Option 2 school, the sequence of actions for Direct PLUS loan applications is as follows:

Application Process

- Using the EDExpress software or similar methodology that meets the Department's specifications, you may preprint or manually complete the student and school sections before sending the application to the parent. You may choose instead to leave the school sections blank.

- If you have developed your own institutional application, or if you require an award letter acceptance to be returned to you before processing a Direct Loan request, you could obtain the additional Direct PLUS Loan information through one of these processes. These methods would help if you want to preprint information before sending the application to the parent.

✦ You may forward the application with the student's award letter or upon request. The appendices include a sample of the PLUS Loan Application and Promissory Note.

✦ The PLUS Loan Application and Promissory Note requests demographic information and references from the student's parent.

✦ The parent borrower completes the PLUS Loan Application and Promissory Note, including the loan amount requested, and returns the document to your school. You may not lend more than the requested amount, even if the parent borrower is eligible for more. The parent may not borrow more than the student's calculated Cost of Attendance minus expected financial assistance.

✦ You *must* review the PLUS Loan Application and Promissory Note for completeness and accuracy, enter the application data electronically, and submit the PLUS loan origination record to the Loan Origination Center.

✦ You *must* export the electronic manifest and mail the original signed completed PLUS Loan Application and Promissory Note to the Loan Origination Center with a paper manifest.

Credit Issues

After receiving the signed, completed Direct PLUS Loan Application and Promissory Note, the Loan Origination Center transmits the applicant information to a credit bureau and receives the credit check results in one business day.

The Loan Origination Center evaluates the credit report to determine if the applicant has an adverse credit history, as defined by Direct Loan Program regulations. A PLUS Loan applicant is rejected if

✦ the applicant is 90 or more days delinquent on any debt as of the credit report's date or

✦ during the five years preceding the date of the credit report, the applicant has been the subject of a default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a Title IV debt.

Parent Notification

If an applicant is approved for a Direct PLUS Loan, the Direct Loan Origination Center transmits the credit check results to your school and sends a Direct PLUS Loan disclosure to the parent.

If an applicant is rejected, the Loan Origination Center notifies the applicant of the denial and includes the following information:

- the reason for rejection
- the name of the credit bureau that supplied the data on which the rejection is based
- an endorser form
- the name and telephone number of a service representative the applicant may contact for further assistance.

The rejected applicant has several options:

- contact the credit bureau to resolve any inaccurate credit information
- contact the Loan Origination Center to discuss and document extenuating circumstances
- reapply with an endorser who does not have an adverse credit history. The endorser must submit an endorser form to the Loan Origination Center and undergo a credit check. An endorser is defined as an individual who signs a promissory note and agrees to repay the loan if the parent borrower does not. An endorser may not be the student for whom the parent wishes to borrow funds.

School Notification

The Loan Origination Center notifies your school of the applicant's credit evaluation within five business days by means of decision codes in the Direct PLUS Loan origination record.

- You continue processing loans for Direct PLUS Loan applicants who meet the credit criteria and stop processing for applicants who do not meet the criteria.

- If an applicant documents that extenuating circumstances exist or resolves erroneous credit information or obtains an endorser who does not have an adverse credit history, you await the Department's decision and process the loan accordingly.

Applicants with Adverse Credit Histories

You will need to develop a policy for handling Direct PLUS Loan applicants with adverse credit histories.

You will want to determine whether the rejected parent borrower wishes to cancel the Direct PLUS Loan application or to seek loan approval based on extenuating circumstances or based on an endorser with no adverse credit history.

If the parent borrower chooses not to pursue a Direct PLUS Loan, the dependent student may borrow additional Direct Unsubsidized Loan funds up to the limit for independent students for their grade level (see page 4-3). The parent's loan application must be canceled before you may process an additional Direct Unsubsidized Loan for the student with remaining eligibility. Note that the Direct Unsubsidized Loan would be initiated only at the student's request.

Other regulatory circumstances that allow a dependent student to borrow additional Direct Unsubsidized Loan funds up to the limits for independent students are

- The parent receives only public assistance or disability benefits
- The parent is incarcerated
- The parent's whereabouts are unknown.

This information must be documented in the student's file.

The Direct Loan regulations provide the flexibility to assist families who obviously will not meet the credit requirements for Direct PLUS Loans. You can develop an internal process to review a parent's circumstances so that he or she does not complete the application process unnecessarily.

If a parent borrower presents documentation to the school showing at the outset that he or she will not meet the credit criteria (for example, the parent has a tax lien), you can decide immediately to bypass the PLUS application process and award Direct Unsubsidized Loan funds to the dependent student. However, you must document in the student's file why the student's parent(s) was precluded from borrowing a Direct PLUS loan.

Chapter 6
Loan Origination Records and Promissory Notes

Essential Loan Origination Record Questions

- What does it mean to originate a loan?
- When is it appropriate to create a loan origination record?
- How do you create a loan origination record?
- What data elements are needed to create a loan origination record, and where do they come from?
- What is a loan ID and what does it have to do with a loan origination record?
- How long can a school maintain loan origination records before submitting them to the Loan Origination Center?

Essential Promissory Note Questions

- May a school print its own promissory note instead of using the Department's promissory note?
- Can the Loan Origination Center print promissory notes for schools?
- Is one promissory note used for a student who has both Direct Subsidized and Unsubsidized Loans, or are multiple promissory notes necessary?
- What do Option 1 and Option 2 schools do with promissory notes?
- Must the Loan Origination Center accept the promissory note before funds can be disbursed to the student?
- When must the school reprint a promissory note?
- When must the Loan Origination Center notify the school that a promissory note has been accepted or rejected? What causes the Loan Origination Center to reject a promissory note?

Essential Records

Booking a loan forms an official and binding obligation between the borrower and the federal government. The Loan Origination Center must have the following records and documents to "book" a loan:

✦ an accepted loan origination record

✦ an accepted promissory note

✦ an accepted first-disbursement record.

Loan Origination Records

In the Direct Loan Program, originating a loan is comparable to certifying a student loan application under the FFEL Program. Data is collected from the borrower and either reported on a student loan application for certification (FFEL) or entered into a loan origination record (Direct Loans). In both cases, the data is the basis for making a loan. There are fewer data elements in Direct Loans than in FFEL because the Expected Family Contribution and Cost of Attendance do not have to be entered into the Direct Loan origination record.

The loan origination record

✦ is part of the borrower's permanent loan record at the Department

✦ consists of necessary demographic, financial and statistical information

✦ is the initial record required for the Department to "book" a loan

✦ must be created while the borrower meets all loan eligibility requirements.

The *loan origination date* is the date all information in the loan origination record is complete and accurate. (For EDExpress schools, origination is not complete until the process/originate function is completed.) The loan origination record does not have to be transmitted in order for a school to consider a loan originated. However, the *loan origination process* is not complete until the record is transmitted to and accepted by the Loan Origination Center.

Creating Loan Origination Records

All schools will create loan origination records. These records are created electronically using either the software the Department provides or other software that meets the Department's specifications.

Required Data Items

Certain data items are required to establish the loan origination record. It is important to know these data items and where they come from. You may

- import some of these data items from the EDExpress Institutional Student Information Record (ISIR) or packaging system database (which could contain data from the ISIR data base)
- import some of these data items from the school's database
- manually enter data from the Student Aid Report and other hard copy documents.

The chart on page 6-4 describes the items and possible sources that are required to complete loan origination records. The key below identifies the codes used in the chart. Please note that the chart is for schools using the Direct Loan software on a PC exclusively or in combination with PC software and/or mainframe. Schools using a mainframe exclusively may want to devise their own chart.

LOAN ORIGINATION RECORD DATA ITEMS CHART

Use the following key:

F = Data comes from the FAFSA

I = Data comes from the school and may require manual entry

G = Global parameters; the data is universally set by Direct Loan system set-ups and parameters

S = System-generated; the Direct Loan software calculates the data items

NOTE: Some data items, such as the year in school, could come from the FAFSA or the school. For this chart, if the data item is on the FAFSA, it is coded "F."

Direct Loan Record Data Items

Borrower/Student Data Items		
F	✦	borrower's Social Security Number
F	✦	borrower's name
F	✦	borrower's address
F	•	borrower's home phone number
F	•	borrower's driver's license number and state
F	✦	borrower's date of birth
F	✦	borrower's citizenship status (including alien registration number if eligible noncitizen)
I	✦	student's anticipated graduation date
F	✦	student's year in school
I	•	student's anticipated enrollment program start date
F	✦	student defaults on an education loan or owes repayment on a grant
I	✦	PLUS borrower defaults on an education loan or owes repayment on a grant
I	•	student's enrollment status
I	•	student's enrollment status change date

Promissory Note Data Items		
I	•	borrower signed promissory note flag
I	•	date school verified signed promissory note
G	•	promissory note print indicator
S	✦	promissory note print sequence number
S	•	batch number
S	•	promissory note status
S	•	date promissory note printed
S	•	date/batch signed promissory note sent to Loan Origination Center
S	•	date Loan Origination Center confirms receipt of notes
I	•	altered note amount flag

General Loan Record Data Items		
I	✦	Loan type (Direct Subsidized Loan, Direct Unsubsidized Loan, Direct PLUS Loan)
I	✦	requested loan amount (cannot be more than loan eligibility)
I	✦	loan amount approved (loan eligibility)
I	✦	user that created record
G	✦	school code number
G	✦	loan period start date
G	✦	loan period end date
S	✦	loan identifier
S	✦	loan year
S	✦	loan sequence number
S	•	origination record transmit date
S	•	anticipated loan fees
S	•	anticipated gross loan amount
S	•	anticipated net loan amount
S	•	loan origination status
S	•	origination date
S	•	date/time record created
I	•	loan cancellation code/date

Disbursement Data Items		
I	•	reason/date disbursements canceled
I	•	date disbursements made
I	•	refund code/date
G	✦	anticipated disbursement dates
S	✦	gross anticipated disbursements
S	✦	anticipated fee amounts
S	✦	net anticipated disbursements
S	•	date disbursement records sent to Loan Origination Center
S	•	disbursement batch number and drawdown date
S	•	disbursement reconciliation dates

✦ Required for transmitting loan origination record to the Loan Origination Center

Loan ID

The loan ID is created at the time the loan origination record is created. The loan ID appears at the bottom of the promissory note and ties together the promissory note and loan origination record. The loan ID is comprised of the following elements taken from the origination record:

- borrower's Social Security Number
- loan type
- loan year
- school code
- loan sequence number

Sample: 123456789 P 99 G99999 001

Sending Loan Records to the Loan Origination Center

Once all required data items are complete, you must transmit the loan origination records to the Loan Origination Center. For Option 1 and Standard Origination schools, the Loan Origination Center must accept these records and promissory notes before it will send funds to the institution.

Option 2 schools may submit loan origination records before transmitting disbursement records and promissory notes or may submit all records simultaneously. (Note that if a school transmits actual disbursement records before loan origination records, the disbursement records will reject regardless of the school's loan origination option.)

From an institutional management perspective, it is desirable to establish a regular schedule for submitting all records and documents to the Loan Origination Center.

Loan Origination Center Responses and Actions

- The Loan Origination Center edits and validates electronically received loan origination data within one business day.
- The Loan Origination Center stores these records until the loan is booked or the record is canceled or archived.
- The Loan Origination Center assists schools in resolving problems with rejected loan records.

Rejected Loan Origination Records

Some causes for rejected loan origination records are

- incomplete demographic information (name, address, driver's license number, alien registration number) for which the school must contact the borrower

- anticipated disbursement inconsistencies (fewer than two [unless your school is an experimental site school], not within the loan period, not in date order, or greater than the total loan amount approved).

All possible reject reasons are identified in the Department's Direct Loan Technical Reference.

Promissory Notes

As in the federal Perkins Loan Program and the FFEL Program, a Direct Loan borrower must always complete, sign, and date the promissory note before the loan is disbursed. Promissory notes can be distributed to borrowers anytime between determining loan eligibility and disbursement.

Printing Promissory Notes

The Loan Origination Center prints and distributes promissory notes for Standard Origination schools. Option 1 and Option 2 schools can print their own promissory notes or have the Loan Origination Center print and distribute them.

Option 1 and Option 2 Schools

- If you are at one of these schools, you may print a standard promissory note using software or preprinted forms the Department provides.

- You may also use other software that prints the entire promissory note. If you develop your own notes, you must have them *reviewed and approved* by the Department.
    - If you wish to have a promissory note reviewed, it should be sent to:

U.S. Department of Education
Direct Loan Account Management Group
ROB-3, Room # 3067, Mail Stop 5387
600 Independence Avenue, SW
Washington, D.C. 20202-5252

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- When sending a promissory note for review, you should send an original promissory note that contains sample data. Neither copies nor fax versions of promissory notes are acceptable.

- When creating your own promissory notes remember that the signature, interest rates, origination fee rates and the language that explains the loan's terms and conditions cannot be changed.

✦ If you choose to include a school bar code on the Department's promissory notes, prior approval from ED is *not* required. However, the bar code may not be placed in the bottom margin of the note. The entire bottom margin is reserved for ED's processor.

✦ If you prefer, you may choose to have the Loan Origination Center print batches of promissory notes for your institution. However, the request must be made prior to the records being batched, and a copy of the request must be entered into each student's record. Schools can request this service without changing their other loan origination option functions.

✦ EDExpress software automatically prints two copies of the promissory note. The borrower keeps one copy and signs and returns the other copy to the school for review and submission to the Loan Origination Center. Schools are not required to keep copies of promissory notes.

✦ You may print one promissory note for a Direct Subsidized Loan and one for a Direct Unsubsidized Loan or use one promissory note for both loans. There must be a separate promissory note for Direct PLUS Loans.

Promissory Note Address Considerations

The parent's permanent address must appear on the Direct PLUS promissory note. However, the student's local or permanent address can appear on Direct Subsidized or Direct Unsubsidized promissory notes. Depending on when the promissory note is mailed (*i.e.,* when school is in session or out of session), the school may use the borrower's local or permanent address.

Borrower Completion and Return

The borrower verifies all preprinted information on the promissory note, and supplies any missing data, references, his/her signature, and the date. Any changes made to the preprinted information must be initialed by the borrower. If the borrower changes and initials a disbursement amount, the borrower must also change and initial the *total* amount to be disbursed. Otherwise the promissory note is invalid due to conflicting information.

The borrower retains a promissory note and returns a signed original to the school or to the Loan Origination Center depending on the school's loan origination option.

- Borrowers attending Standard Origination schools must return all promissory notes to the Loan Origination Center. Upon receipt, the Loan Origination Center will send these schools an electronic acknowledgment indicating whether the notes have been accepted or rejected.

- Borrowers attending Option 1 and Option 2 schools must return all promissory notes to the school. Upon receipt, a school reviews the promissory notes for completeness and accuracy, enters the promissory note data into the system and forwards the paper copy and paper and electronic manifests to the Loan Origination Center.

Sending Promissory Notes to the Loan Origination Center

Borrowers attending schools using the Standard Origination Option send their promissory notes directly to the Loan Origination Center:

School Relations
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, Alabama 36103-5692

This address is provided on the back of the promissory note. For these schools, promissory notes and loan origination records must be received and accepted by the Loan Origination Center before funds and an actual disbursement roster will be sent to the school for disbursement.

Option 1 and 2 Schools

Schools using Origination Options 1 and 2 send their promissory notes to the Loan Origination Center:

For Regular Mail
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, AL 36103-5692

For Overnight Mail
U.S. Department of Education
Loan Origination Center
474 South Court Street, Suite 500
Montgomery, AL 36104

- The school must mail a paper promissory note manifest along with completed promissory notes to the Loan Origination Center. (Many schools choose to send these to the Loan Origination Center via certified mail, return receipt requested, or by Express mail service.)

- The school must also transmit an electronic promissory note manifest to the Loan Origination Center.

- For Option 1 schools, valid promissory notes must be transmitted and accepted by the Loan Origination Center prior to receiving funds.

- For Option 2 schools, valid promissory notes do not have to be transmitted to, or accepted by, the Loan Origination Center before funds are requested or disbursed. However, the schools must have obtained a signed promissory note prior to disbursing funds.

- Schools are not required to keep a copy of promissory notes. However, they may want to do so until the promissory notes are accepted by the Loan Origination Center.

Loan Origination Center Responses and Actions

- The Loan Origination Center will verify receipt of promissory notes against the paper and electronic manifests and return the paper manifest signed by a Loan Origination Center representative.
  - If an electronic manifest is present with the exact loan ID and print sequence number as each promissory note, you will receive an electronic acknowledgment in three business days.
  - If an exact match cannot occur, the acknowledgment may be delayed.

- The Loan Origination Center cannot electronically acknowledge receipt of paper promissory notes unless a valid origination record exists and you have transmitted an electronic promissory note manifest to the Loan Origination Center.

- The Loan Origination Center will review each promissory note to ensure it is complete.

- If the promissory note is **accepted**, this means that the Department accepts responsibility for the loan. The school may retain or destroy its copies of the accepted promissory notes.

- If the note is **incomplete--**that is, the promissory note requires some correction, the note is returned either to the borrower (Standard Origination schools) or to the school (Option 1 and Option 2 Schools) for correction. The Loan Origination Center does not send an electronic acknowledgment until the actual note is corrected and returned to the Loan Origination Center.

- If the note is **rejected**, the Loan Origination Center returns the original note to the school (Option 1 and 2 schools) for reissue. If the Loan Origination Center has received an electronic manifest, it transmits a "rejected electronic acknowledgment" to the school in three days.

- Schools may want to maintain a log of promissory note rejections and use this information to improve the school's instructions to borrowers and its promissory note review process.

Rejected Promissory Notes

- Certain edits will cause the promissory note to be rejected. The main reasons for promissory note rejections are related to

  - missing data (signature, Social Security Number, name, address, phone number, driver's license, citizenship status, loan amount requested, references, employer information, loan period, or date of birth)
  - promissory note alterations without appropriate borrower initials
  - promissory note amount greater than approved loan amount or amount disbursed greater than promissory note amount (if the note is submitted after disbursement).

- Option 1 and Option 2 schools are not required to create a new promissory note if the amount of the loan decreases. If the loan amount increases after the promissory note has been printed, schools can:

  - originate a new loan and print a new promissory note covering the incremental difference, or

- originate a new loan and prepare a new note based on the total loan amount. If a new note is prepared for the total loan amount, the old loan must be canceled.

See the chart below for what to do when loan amounts change.

Loan Amount Increases

Situation	Action
After the loan origination record is created and	The approved loan amount may be increased without creating a new loan record or loan ID.
Before the promissory note is printed or requested to be printed	No action necessary
After the promissory note is printed but before it is signed	Must print a new promissory note
After the promissory note is signed but before it is sent to the Loan Origination Center	Must print a new promissory note and get it signed.
• After the promissory note is sent to the Loan Origination Center but before loan funds are actually disbursed	A new loan record and loan ID number must be created and a new promissory note must be printed (or requested to be printed) for either the incremental increase or the entire new loan amount. If a new record is created for the entire new loan amount, the prior loan record must be canceled.
• After loan funds are disbursed	A new loan record and loan ID number must be created and a new promissory note must be printed (or requested to be printed). This is a new loan. There are now two loans unless the first loan is canceled.

Loan Amount Decreases/Stays the Same

Situation	Action
If the approved loan amount decreases or if the approved loan amount stays the same but there are other loan record changes	No action is required unless the borrower requests a new note that reflects the actual amount of the loan. In that case, the school would create a new loan record (you must cancel the original loan record) and loan ID number and print a revised promissory note or request that a revised note be printed by the Loan Origination Center.

When to Begin the Loan Process (Option 1 and Option 2 Schools)

You must create the loan origination record while the student is eligible. Keep in mind that you can create a loan origination record with an offered loan amount, as identified in the student's award notification, or with an accepted loan amount.

You should consider the following issues:

- Do you want to send promissory notes with your award notifications?

  If you send award notices and promissory notes together, you will most likely produce promissory notes from offered loan amounts; therefore, you will need to create a loan origination record early in your process. If you decide to create a promissory note after borrowers accept their loan offers, you would create the loan record and the promissory note at a later date.

- Using the chart on page 6-13 can help your school determine how your process should operate. The chart lists the pros and cons of creating the loan record and promissory note at different times.

- During non-enrollment periods, you might mail your promissory notes separately from your award letter. However, once school starts, you may want to mail them together to speed the process.

- How will you handle students to whom you mail promissory notes but who fail to return them? Will you have duplicate notes available during the first days of school?

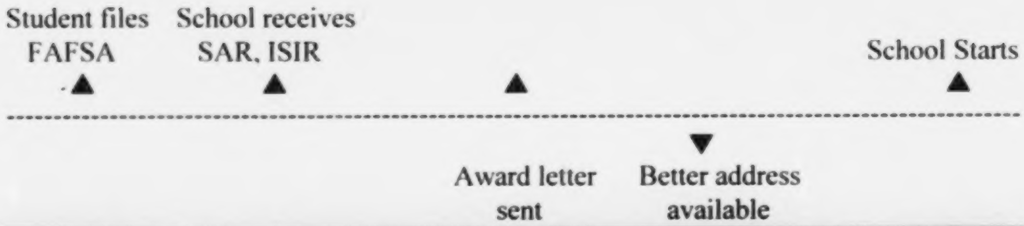
- You may reduce financial liability by minimizing the length of time you store signed notes before mailing them to the Loan Origination Center. Although no specific school security requirements for promissory notes exist, a school must safeguard all promissory notes in its possession. Submitting promissory notes frequently will help minimize their loss or destruction. Other practices you may want to consider:

  - Safeguard promissory notes in the school's possession by placing them in a locked fireproof cabinet.

  - Retain a copy of each promissory note until the Loan Origination Center accepts it.

  - Mail your promissory notes in small batches via a traceable overnight carrier.

Time Frame Comparison For Promissory Note and Loan Record Creation



SEASONS	PROS	CONS
SPRING **Prior to Academic Year (AY)**		
Send promissory note with award notice	Reduced time/cost if sent together	Likelihood of loan amount changing
	Client service benefit to receive full packet in the mail	Printing and mailing costs for students who do not attend
	Complete references	Maintenance of larger database for loan origination records that students may not accept or ever borrow.
SUMMER **Prior to AY**		
Send promissory note	Less chance of loan amount changing (more resource information)	Greater address problem in summer
Award letter sent in spring		Lower likelihood of promissory note return due to bad addresses and separate mailing for note
FALL **Prior to AY**		
Make promissory note available	Greatest chance loan amount is accurate	Long lines for promissory note signing
Award letter sent in spring	Reduce printing of promissory notes for students not attending	Signing legal document on the spot
	Captive student audience	Refund detail may not be available

Chapter 7
Receiving and Disbursing Funds

Essential Questions

- ✦ Do I need to maintain a separate bank account for Direct Loan funds? Do I need to maintain an interest-bearing account?
- ✦ What happens to the loan fees if the disbursement is canceled?
- ✦ What is excess cash? What is immediate need?
- ✦ Is there a Direct Loan authorization level?
- ✦ How does an Option 2 school receive Direct Loan funds?
- ✦ How should an Option 2 school decide when to request Direct Loan funds?
- ✦ How do Option 1 and Standard Origination schools receive funds?
- ✦ What is the timeline and disbursement process for Option 1 and Standard Origination schools?
- ✦ Do all Direct Loan schools control when students receive their funds?
- ✦ May schools disburse funds before receiving signed promissory notes?
- ✦ Does a school need a borrower's permission to credit that borrower's account with Direct Loan funds?
- ✦ What is the disbursement date?
- ✦ Can Direct PLUS Loans be applied to a student's account? If so, is parental authorization necessary?
- ✦ How do I report disbursements to the Loan Origination Center?
- ✦ How do I handle disbursement cancellations and adjustments? What about loan prepayments?
- ✦ What role does the Loan Origination Center play in the funds request process?

Maintaining Your Federal Account

All schools must maintain a bank account for depositing federal funds. A school must either notify the bank that the account contains federal funds and keep a record of this notice in the school's recordkeeping system or the school must ensure that the account's name includes the words "federal funds." Except for public institutions, schools must file a UCC-1 statement with their state or municipal governments disclosing that the account contains federal funds. Schools must keep a copy of the UCC-1.

- Direct Loan funds may be kept in the same account with other Title IV funds, although it is recommended that a separate account be established for Direct Loan funds. This separation of funds will help the school's cash management of Direct Loans.

- If the school chooses to use, or is required to use, an interest-bearing account until the school disburses funds to students, any interest earned in excess of the $250 annual allowance for administrative expense must be returned to the Department at least annually.

  A school is not required to maintain an interest-bearing account if one of the following situations applies:

  - In the prior award year, the school received less than $3 million in Title IV funds.

  - The school demonstrates by its cash management practices that it will not earn over $250 in interest by maintaining the total amount of Title IV funds received during the award year in an interest-bearing account.

Loan Fees

Loan fees of 4 percent of the principal amount borrowed are charged to the borrower to help defray the cost of the Direct Loan Program. Drawdown amounts are based on the amount of net disbursements (disbursement less the loan fee on that disbursement).

- If a disbursement is canceled *within* 120 days, loan fees are not owed. In such cases, the interest is eliminated when the school or the borrower returns the funds. If the borrower sends back only part of the funds within 120 days, the borrower must send a letter to the Loan Origination Center explaining that he or she is returning funds to adjust the loan balance.

- ✦ If a disbursement is adjusted downward within 120 days, the fees are assessed only on the portion of the disbursement the borrower actually received.
- ✦ If a disbursement is canceled *after* 120 days, the accrued interest and fees must be paid by the borrower.
- ✦ If a school returns funds in order to comply with statutory/regulatory requirement, all or a portion of the loan fee is returned--even if 121 days or more after disbursement

See page 7-14 for more on disbursement cancellations, adjustments, and payments.

Requesting Funds: Option 2 Schools

Calculating Funding Needs

If you are an Option 2 school, you need to estimate—on an ongoing basis—the amount of funds necessary to make anticipated Direct Loan disbursements (net of loan fees). You should include in your estimate all Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans. You should also consider Direct Loan funds on hand.

- ✦ To make the estimate, you can use the Direct Loan software or a similar system. When a borrower's record is ready (that is, when you have created the loan origination record and obtained the completed, signed promissory note), the Direct Loan software "flags" the record as eligible for payment. You may also increase or decrease the system-calculated amount of funds required based on the historical anticipated need of your students.
- ✦ EDExpress users should note that even if the anticipated disbursement date has passed for a particular borrower, the software will include the anticipated disbursement amount in any calculations that estimate the school's cash needs if
    - the record has not been included in a previous request
    - the record is flagged as eligible for payment
    - the parameters you set to select eligible records include the borrower's anticipated disbursement date.

Timing the Requests for Direct Loan Funds

Funds are based on "immediate need," which the Department defines as the amount of funds you will need to disburse for your borrowers within a three-day period. In other words, you must spend funds as soon as administratively feasible, but no later than three business days following the date you received the funds.

Immediate need differs among schools. By determining when cash will be needed, you can predict when to initiate the request. You should consider these basic factors when formulating a request for funds:

- the balance of Direct Loan cash on hand
- anticipated disbursements
- anticipated fund recoveries

The following chart displays approximate timelines for receipt of funds for schools using the Automated Clearing House/Electronic Funds Transfer method (ACH/EFT). To distinguish between morning and afternoon, the daily cutoff is 3:30 p.m. Eastern Time.

Timeline For Requesting/Receiving Direct Loan Funds Using ACH/EFT

Funds Requested	Funds Received
Monday morning	Wednesday or Thursday
Monday afternoon/Tuesday morning	Thursday or Friday
Tuesday afternoon/Wednesday morning	Friday or Monday
Wednesday afternoon/Thursday	Monday or Tuesday
Thursday afternoon/Friday morning	Tuesday or Wednesday
Friday afternoon/Monday morning	Wednesday or Thursday

Requesting Direct Loan Funds (Option 2 Schools)

Option 2 schools are authorized to draw down funds directly from the Grants Administration and Payment System (GAPS). Unlike some other financial aid programs, there is no Direct Loan authorization level.

Once your immediate cash needs have been determined, transmit an electronic payment request for Direct Loan funds only, using:

- the Internet at http://gapsweb.ed.gov (if FEDWIRE or ACH users)
- by calling 1-800-654-8341
- GAPS then processes your drawdown request.
- GAPS checks that the account type, personal identification number (PIN), and password identifiers are valid.

- If any identifiers are invalid, you will be notified to correct the error.

✦ Drawdown requests are edited and batched, and an ACH/EFT payment file is created for transmittal to the Federal Reserve Bank (FRB).

  - Problem requests are transferred to a holding file. Department personnel review the holding file daily and either approve the transaction or contact your school to resolve the problem.

✦ The FRB receives the ACH/EFT file and transfers funds to your school's bank account.

✦ As mentioned earlier, Direct Loan funds may be deposited in the same account with other Title IV funds, although you must be able to identify the Direct Loan funds.

✦ The FRB notifies the Department if an ACH/EFT transmission or your school's transaction is rejected.

  - ACH/EFT transmissions may be rejected because of mechanical difficulties or because your school's designated bank account has changed. If the ACH/EFT transmission is rejected, the Department contacts your school to resolve the problem.

Issues to Consider in Requesting Funds (Option 2 schools only)

✦ To determine when it is appropriate to draw down funds, you may want to consider first whether you will disburse (credit a student's account or pay a student or parent directly) before or after federal funds are received. In other words, is your campus willing to allow you to disburse funds to students before federal funds are received? Consider the following possibilities:

  - If you disburse institutional funds to borrowers before receiving federal funds, your disbursement date may be earlier than the date federal funds are received.

    1. If you disburse institutional funds ten or more days prior to the first day of classes, the date of disbursement is the date of the 10th day before the first day of class.

    2. If you are disbursing institutional funds to a first-time, first-year, undergraduate borrower, the date of disbursement is the date of the 30th day after the first day of classes.

  - If you disburse after receiving federal funds, the date of disbursement is the date the school credits the student's account or pays the student or parent directly.

- To determine when you will draw down funds, establish your disbursement date first. In doing so, remember the disbursement requirements.

- There may be a number of other important dates to consider, including

  - your students' tuition due date(s)

  - the date that your students' bills are mailed

  - the end of the school's add/drop period.

- Remember that interest accrues on the funds you request until those funds are disbursed. If your school maintains Title IV funds in an interest-bearing or investment account, and the interest earned before you spend your funds exceeds the $250 annual allowance for administrative expense, you must return the excess to the Department as explained on page 7-2.

- Chart the amounts you are drawing down and spending, especially during the beginning of your term. Evaluate the results and determine if adjustments are needed. This will help you project future cash needs.

- Calculate your need for funds and export that data to GAPS early enough to meet the 3:30 P.M. Eastern Time cutoff.

- If you use the Direct Loan software to calculate your drawdown request, consider that the amount you request will be based on all loan origination records with a certain anticipated disbursement date. You have the option to manually override this amount and increase or decrease it.

  - You might increase the amount requested because you know you will receive more signed promissory notes before your funds are received. You will want to be conservative when increasing the amount requested so you do not create an excess cash problem.

  - You might decrease the amount requested, especially if you know from experience that not all your students will maintain eligibility for their loans at the time of disbursement.

- Monitor excess cash daily.

- Remember the regulations require that the functions of authorizing payments and disbursing funds be kept separate, so that no one office has responsibility for both.
    - Reexamine how information flows among the financial aid, bursar, and business offices. Due to cash management regulations and the need to meet strict time requirements in drawdowns and excess cash calculations, the processes at your school may need to be streamlined and reengineered.
- EDExpress users may want to evaluate and assess the current process of drawing down funds on your campus. You now have software available that can determine the amount of funds you need. Given that, should the drawdown be conducted by the financial aid office? By your accounting department? By your bursar?

Requesting Funds: Option 1 and Standard Origination Schools

The Loan Origination Center initiates funding requests for Option 1 and Standard Origination Schools based on anticipated disbursement dates and amounts provided by the school in the loan origination records and promissory notes. Note: Standard Origination Schools do not prepare promissory notes.

If you are an Option 1 or a Standard Origination school, you should follow the procedures below:

- You create and transmit loan origination records to the Loan Origination Center.
- If you are an Option 1 school, once you and your students have completed the appropriate portions of the promissory notes, you mail them to the Loan Origination Center. If you are a Standard Origination school, your borrowers return the signed promissory notes directly to the Loan Origination Center.
- Funds will only be requested for those anticipated disbursements for which the Loan Origination Center has an accepted loan origination record and signed promissory note.
- Approximately 30 to 45 days before the anticipated disbursement dates in the loan origination record, the Loan Origination Center will send an electronic anticipated disbursement listing which will identify anticipated disbursements by borrower and loan type.
- You review the list to determine whether adjustments need to be made, particularly to the anticipated disbursement amounts and anticipated disbursement dates. Schools should not disburse from this listing.

- You send any necessary change records to the Loan Origination Center.
- The Loan Origination Center will request funds for your school based on the anticipated disbursement dates and amounts you provided on the loan origination records, including any changes. You can control the frequency and timing of receiving drawdowns by using the anticipated disbursement dates.
- The Loan Origination Center requests funds four days before the anticipated disbursement dates.
- The Loan Origination Center will simultaneously create and electronically send an Actual Disbursement Roster to you. The Actual Disbursement Roster reflects individual borrowers, loan types and their associated actual disbursements, and the total amount of funds in the request. It notifies the school that funds for the specified borrowers have been requested and can be expected in the school's Direct Loan bank account within three to four days. .
- The funds will be sent to your school's bank through the Automated Clearinghouse (ACH) and should be received on or near the anticipated disbursement date.

The following timeline illustrates the funding and disbursement process for Option 1 and Standard Origination schools.

Funding and Disbursement Timeline
Option 1 and Standard Schools

30-45 days before disbursement	4 days before disbursement	2 days before disbursement	Disbursement date
▲	▲	▲	▲
Loan Origination Center sends the school an Anticipated Disbursement list; the school sends updates or changes to the Loan Origination Center	Loan Origination Center requests funds and sends an actual disbursement roster to the school	Loan Origination Center sends ACH EDPMS file to FRB and school receives funds	School disburses funds to borrowers

NOTE: If you send the loan origination record or promissory note 15 days (or less) before the anticipated disbursement date, the disbursement may not appear on the anticipated disbursement listing. However, the Loan Origination Center will request funds for this loan four days before the anticipated disbursement date, if the Loan Origination Center accepts the loan origination record and promissory note. This loan should appear on the actual disbursement roster sent to the school.

Disbursing Funds to Borrowers

All Direct Loan schools control—within the limits of the regulations—when students receive their funds, just as schools do in the federal Pell Grant and federal campus-based programs.

The following steps must be taken to disburse funds:

- The school establishes disbursement dates, taking into account the regulations concerning the number, amount, and timing of disbursements.
    - For a credit-hour program with standard terms, the earliest a student account may be credited or a student may be paid by cash or check, is 10 days before the first day of the first or any subsequent term.

- For a credit-hour program with non-standard terms or a credit-hour program without terms or any clock hour program, the earliest a student's account may be credited or a student may be paid by cash or check is 10 days before the first day of the loan period. Subsequent disbursements may not be made until the latter of

  1. The calendar midpoint between the first and last scheduled days of class in the loan period

  2. The date the student has completed half of the academic coursework in the loan period.

- Remember that there is a 30-day delay for disbursing loans to first-year undergraduate students who have not previously received a FFEL or Direct Loan. Note that this delay does not apply to a Direct PLUS Loan borrower whose child is in the first year of his or her program.

- In most cases, multiple disbursements (a minimum of two) are required, even for partial academic year attendance. However, this requirement does not apply to certain experimental site schools.

- Generally, no disbursement can be greater than 50 percent of the loan amount. (Again, this requirement does not apply to certain experimental site schools.) Note: if one-half of the loan period has elapsed when the first disbursement is made, the loan may be disbursed in a single installment.

✦ As is required for schools under the FFEL Program, schools must verify that their students maintain eligibility for Direct Loans.

✦ Before disbursing funds, the school (or the Loan Origination Center for Option 1 and Standard Origination schools) must have a signed, completed promissory note from the borrower.

✦ Other than the information provided in the promissory note, the school is not required to notify the borrower of anticipated disbursements.

✦ The school may apply Direct Loan proceeds to the student's account without written authorization separate from the promissory note and without acknowledgment from the borrower.

- If the school disburses Direct Loans by crediting a student's account at the school, the school must first credit the student's account with funds for outstanding current and authorized charges.

- With the student's authorization, the school may also credit funds to the student's account for current charges incurred for educationally related activities and minor prior award year charges if those charges are less than $100 or if payment of these charges will not prevent the student from paying his or her current educational costs.

- If the student's account shows a remaining credit balance, a check or similar instrument requiring the borrower's endorsement must be issued to the borrower within 14 days of whichever is latest: the date the balance occurs or the first day of classes of the payment period.

  The borrower can also authorize the school to retain the balance. If authorization is withdrawn, a check or similar instrument requiring the borrower's endorsement must be issued to the borrower as soon as possible but no later than 14 days after the school receives the notice.

  Schools unaccustomed to issuing checks may wish to issue a check or similar instrument that includes all Title IV program proceeds not needed for institutional charges.

The Disbursement Date

The disbursement date (the date funds are paid to the borrower) is the date the institution credits a student's account at the school or pays a borrower directly with Direct Loan funds or institutional funds used in advance of Direct Loan funds.

- If you disburse institutional funds ten or more days prior to the first day of classes, the date of disbursement is the date of the 10th day before the first day of class.

- If you disburse institutional funds to a first-time, first-year, undergraduate borrower, the date of disbursement is the date of the 30th day after the first day of classes.

Keep in mind that for Option 2 schools, funds drawn down are not borrower specific and may be disbursed to any eligible borrower. Option 1 and Standard Origination schools may disburse funds only to the borrower's specific loan listed on the corresponding Actual Disbursement Roster.

Special Direct PLUS Loan Considerations

Schools that credit student accounts directly are encouraged to post Direct PLUS Loan funds to a student's account for tuition and fees and room and board (if the student contracts with the school for room and board). With the parent borrower's authorization, funds also may be credited to the student's account for current charges incurred for educationally related activities and minor prior award year charges if those charges are less than $100 or if payment of these charges will not prevent the student from paying his or her current educational costs. If the parent dies, the student is required to notify the school or his/her Direct Loan Servicing Center so that no further disbursements will be credited to a student's account.

If the student's account shows a credit balance remaining, the school must either issue a check to the parent borrower or obtain authorization from the parent borrower to issue a check or similar instrument of endorsement to the student. Schools must allow the student or parent to cancel or modify release of funds authorizations at any time, and must clearly explain how it will carry out that activity.

Options:

- At the time the Direct PLUS application and promissory note is provided to the parent, obtain parental authorization to give any remaining funds to the student. The school may not require or coerce the student or parent to provide the authorization.
- Include the Direct PLUS Loan authorization in your school's institutional application, for parents who authorize the remaining credit to be released to the student.
- Modify your student accounts receivable system to allow you to create, identify, and mail Direct PLUS Loan checks to the parent for the amount that exceeds institutional charges (for parent borrowers who do not authorize the remaining credit to be released to the student).

If there is a credit balance, schools that disburse funds in a specific order will be able to determine which funds produced the credit balance. For example, a school may first apply Direct PLUS Loan funds to a student's account and then apply other types of financial aid funds. If the student's charges exceeded the Direct PLUS Loan amount, any resulting credit balance after applying other financial aid would not be attributed to the Direct PLUS Loan, making a parent authorization unnecessary.

Informing Students About Disbursements

When a school credits Direct Loan funds to a student's account, the institution must notify the student or parent of

- the date and amount of the disbursement
- the borrower's right to cancel all or a portion of the loan or loan disbursement

- the procedures and time by which the borrower must notify the institution that he or she wishes to cancel the loan or loan disbursement.

The school must send the notice no earlier than 30 days before and no later than 30 days after crediting the student's account at the school. The school may notify the borrower in writing or electronically. However, if the school sends the notice electronically, it must require the recipient of the notice to confirm receipt of the notice and must maintain a copy of that confirmation.

Reporting Disbursements

After disbursing funds, schools must report the required information about actual disbursements to the Department's Loan Origination Center. Schools must transmit disbursement records, including cancellations and adjustments, to the Loan Origination Center as soon as possible, but no later than 30 days after each date of disbursement, adjustment, or cancellation.

- Option 2 schools record the actual disbursement date and amount of each disbursement using the Direct Loan software the Department provides or another system the school maintains.

- As noted earlier, Option 1 and Standard Origination schools will receive a disbursement roster from the Loan Origination Center indicating the borrower, loan type, and amount to be disbursed. These schools must verify or correct the disbursement amount for each borrower, record the date and amount of each disbursement using the Direct Loan software or another system the school maintains, and electronically transmit actual disbursement records to the Loan Origination Center.

Borrowers' Requests for Cancellation or Adjustment

The borrower must inform the school if he or she wishes to cancel all or a portion of a loan or loan disbursement.

- The school **must** honor the cancellation request if the borrower requests the cancellation within 14 days after the date the school sends a disbursement notice, or by the first day of the payment period, whichever is later.

- If the borrower requests a cancellation 15 or more days after the school sends a disbursement notice, or after the first day of the payment period, the school may, but is not required to, cancel all or a portion of the loan.

The school must inform the borrower in writing or electronically regarding the outcome of any cancellation request. If electronic, the school must require confirmation of receipt and maintain a copy of the confirmation.

Cancellations, Adjustments and Payments

Effective July 1, 1998, all or an appropriate portion of a borrower's Direct Loan fee and interest charges will be credited to a borrower's outstanding loan amount whenever all or a portion of a loan's funds are returned by a school in order to comply with federal regulations or with the Higher Education Act of 1965, as amended (HEA). This change was published in the **Federal Register** on November 28, 1997 (62 FR 63428), at 34 CFR 685.202(c)(4).

This new provision authorizes the return of all or a portion of the loan fee and interest charges even though more than 120 days may have elapsed since the date of disbursement, as long as the school is returning the funds in order to comply with program requirements. For example:

- A school is returning funds to comply with program requirements when it is making a refund under §668.22. In this case all or a portion of the fee and interest charges would be returned regardless or whether the return of funds was made by the school within 120 days of disbursement.
- A school is not returning funds to comply with program requirements when it is returning funds to assist a borrower in making a prepayment or payment because the borrower has determined that not all of the loan proceeds are needed to pay educational costs. In this case, all or a portion of the fee and interest charges would only be returned if the return of funds was made within 120 days of disbursement.

(Note that the new provision has not changed the 120-day requirement for the return of funds by a borrower: for a borrower's return of funds to cause a return of the loan fee and interest charges, the borrower must repay or return the funds within 120 days of disbursement.)

The following chart summarizes cancellation, adjustment and payment provisions.

Direct Loan Cancellations, Adjustments, and Payments

Cancellations

A cancellation occurs when the borrower (within 120 days of disbursement) or the school (any time, to comply with regulations or the HEA) returns the total disbursement amount the borrower received. Events that would cause a cancellation include the following:

- The school determines the disbursement should not have been made.
- The borrower does not accept any of the disbursement. (This is for a case in which a borrower wishes to cancel a loan disbursement within 14 days after the date that the institution notified the borrower of the disbursement, under §668.165(a)(2), or if the notice was sent more than 14 days before the first day of the payment period, by the first day of the payment period.)
- The school returns the funds (any time, to comply with regulations or the HEA) or the borrower returns to the school all funds that have been disbursed (within 120 days of disbursement).
- A Title IV refund is due, which would cause a refund of the total amount disbursed.

An Option 2 school returns canceled funds to its "federal" account when the school has determined or has knowledge that one of the events listed above has happened. An Option 1 or Standard Origination school returns the canceled funds to the Loan Origination Center. All schools send cancellation records to the Loan Origination Center. The borrower is not responsible for the loan fees and accrued interest for a canceled disbursement.

Adjustment

A disbursement adjustment is the return of a portion of the amount of a disbursement by a borrower (within 120 days of disbursement) or by a school (any time, to comply with regulations or the HEA).

- A reduction in the amount of the student's eligibility results in a downward adjustment to a disbursement.
- A refund due (under the Title IV refund policy) is less than the full amount of the disbursement.
- The school returns a portion of the disbursement (any time, to comply with regulations or the HEA) or the borrower returns a portion of the disbursement to the school (within 120 days of disbursement).

If an Option 2 school adjusts a disbursement downward, it returns the net adjustment amount (the amount the borrower returns) to the "federal" bank account. An Option 1 or Standard Origination school returns the net adjustment amount to the Loan Origination Center. All schools send adjustment records reflecting the adjustment to the Loan Origination Center. The borrower is responsible for loan fees and accrued interest only on the total adjusted amount of the disbursement.

Payment

If a school is returning funds, but the return is not being made to comply with the school's responsibilities under the HEA or federal regulations, the return is treated as a prepayment or payment, not as a cancellation or adjustment. For example, a loan is not canceled or adjusted if a school is returning funds to assist a borrower in making a prepayment or payment more than 120 days after disbursement because the borrower has determined that not all of the loan proceeds are needed to pay educational costs.

Excess Cash

If a school receives too much in funds, or if funds are not disbursed as anticipated, the school must return the funds to the Department as excess cash. Generally, "excess" is defined as any funds not used within 3 business days of receipt.

- ✦ A school may hold such funds an additional 7 business days if one of the following applies:
  - the school meets the excess cash tolerance requirements in section 34 CFR 668.166(b) of the regulations
  - the school will disburse the excess funds within the additional 7 days.

    Note: Option 1 and Standard origination schools receive funds that are borrower specific. These schools cannot disburse funds to any borrower other than the borrower for whom the funds were intended.

Excess Cash vs. Payment

When determining if Direct Loan funds should be returned as excess cash or as a payment, please remember:

- ✦ The "*action date*," (the date a student withdraws, or drops below half-time, or the school identifies an overaward) determines whether funds should be returned as cash or as a payment to the student's account. It is the date of the activity that requires a school to return funds. The "*action date*" is not the date the refund is calculated or the date the adjustment or cancellation was entered into a computer system or reported to the Department.
  - If the "*action date*" is **within 120 days** from the disbursement date, the funds are to be returned as **cash**. Schools should make an electronic adjustment or cancellation to the borrower's disbursement record using the correct "*action date*." If a school's loan origination level is Option 2, the school can use these funds (the amount that would otherwise be returned) for another borrower.
  - If the "*action date*" is **after 120 days** from the date of disbursement, the funds are to be returned as a **payment** to the borrower's account (refund the amount to the borrower's account). Schools should **not** make an electronic adjustment or cancellation to the borrower's account. This applies to all schools, regardless of the school's loan origination level. These funds **cannot** be used for another borrower.

Addresses for returning funds to the Department

When returning **excess cash**, schools should mail check(s) to

✦ Loan Origination Center
Attn: Excess Cash
P.O. Box 2011
Montgomery, AL 36102-2011

If the amount of money being returned is $100,000 or more, the funds must be returned by FEDWIRE to

✦ Compass Bank Account No. 707 2672 6
ABA No. 0620 0118 6

When sending **payments** to borrowers' accounts, the schools or borrowers should mail checks to:

✦ Direct Loan Servicing Center
ATTN: Payment Center
P.O. Box 746000
Atlanta, GA 30374-6000

Please see Direct Loan Bulletins 97-33 and 98-01 for additional guidance on returning funds to the Department.

Loan Origination Center Response and Actions

✦ The Loan Origination Center receives and processes the disbursement records that schools submit. Each disbursement record is matched to a borrower/loan record and edited against other data such as loan amount and borrower status. Electronic disbursement records are edited and validated by the Loan Origination Center within one business day.

- If the disbursement record passes the edits, the borrower/loan record is updated, and the loan is "booked," provided the Loan Origination Center has accepted the loan origination record and promissory note.
- If there is a problem with the disbursement record, the Loan Origination Center notifies the school (via an acknowledgment record) to resolve the problem.

- The Loan Origination Center sends acknowledgments to schools indicating that the "booked" loan has been assigned to the Direct Loan Servicing Center.

- Within 10 business days after the loan is "booked," the Direct Loan Servicing Center mails a letter to notify the borrower of the disbursement and to redisclose the terms of the loan. The borrower is also provided with the address and toll-free telephone number to the Direct Loan Servicing Center. After the borrower receives this notification, he or she can contact the Direct Loan Servicing Center with any questions or concerns.

- The Loan Origination Center matches second and subsequent disbursements against the borrower's specific loan record, previously established in its database.

Chapter 8
The Reconciliation Process

Essential Questions

- What is reconciliation and why is it done?
- What is the reconciliation process?
- How often must I reconcile?

Reconciliation

Reconciliation is the process by which the school reviews and compares on a monthly basis the Direct Loan cash balance reported by the Loan Origination Center with the school's internal records. Beginning with the 1998-99 academic year and for all future years, the Loan Origination Center will initiate the reconciliation process by sending the Direct Loan School Account Statement (DLSAS) to the school on a monthly basis.

The Direct Loan School Account Statement (DLSAS)

Each month the Loan Origination Center will send schools in the Direct Loan Program an electronic file called the Direct Loan School Account Statement (DLSAS). This electronic file may be imported and formatted for printing a report that will look similar to a bank statement.

Note: A separate DLSAS will be sent for each academic year that the school participates in the Direct Student Loan Program, until that academic year is closed out as directed by the Department. Since there is the possibility that up to three academic years may be open at one time, a school may receive up to three statements for each month.

- The DLSAS is generated for each Direct Loan School at the end of each month (schools will receive the DLSAS on approximately the same date each month).
- Schools must review and compare each DLSAS to their internal records to ensure the accuracy of the data on both the school's system and the Loan Origination Center's system.

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- The ending cash balance on the monthly statement represents the Department of Education's cash balance for the school. The school must verify that balance with the school's internal records and correct any discrepancies.

At the conclusion of a school's processing for an academic year, the ending cash balance for a school should be zero; school drawdowns should equal disbursements and returns of excess cash for the year. Schools should regularly monitor their cash balance during the year to ensure they are within the excess cash tolerance levels.

When schools import the DLSAS, the following reports are created:

Cash Summary

The cash summary for each month begins with the ending cash balance from the previous month. At the beginning of each academic year, the beginning cash balance should be **zero.**

The cash summary summarizes all drawdowns received by the school during the month as reported to the Loan Origination Center by the Department of Education Grants Administration and Payment System (GAPS). Drawdowns will be included in the statement for the months in which the school received the drawdowns. Return of cash transactions will also be included on the statement for the month in which the unused funds were received by the Loan Origination Center. It also summarizes unused funds returned by the school and received by the Loan Origination Center during the month.

The cash summary summarizes all disbursement transactions (actual disbursements, adjustments and cancellations) acknowledged by the Loan Origination Center during the month for "booked" loans only. Disbursement transactions are included on the statement for the month in which the transaction was acknowledged by the Loan Origination Center, regardless of the date of the transaction. For example, a disbursement that has a disbursement date of September 30 that is received and acknowledged by the Loan Origination Center on October 2 will be included in the October DLSAS. The ending cash balance indicates the cash balance at the end of each month for all cash transactions and disbursement transactions for "booked" loans.

The cash summary also summarizes all accepted disbursement transactions reported by the school to the Loan Origination Center for loans that are not booked by the end of the month.

As mentioned in Chapter 7, a loan is "booked" when--

- the Loan Origination Center has received and accepted a loan origination record;

- the borrower has signed a promissory note, and the Loan Origination Center has accepted the note; and

- a first disbursement has been made to the borrower and the disbursement record has been transmitted to, and accepted by, the Loan Origination Center.

The Cash Detail Record

The cash detail record provides a detailed listing of all drawdowns and unused funds returned and is **always** included with the DLSAS. Information in the cash detail section should be compared with the school's internal records and bank statements. The Loan Origination Center obtains this information directly from GAPS for drawdowns and the Loan Origination Center's own records for unused funds that have been returned.

The Loan Detail Record (optional)

Schools have the option of receiving only the cash summary and cash detail portions of the DLSAS (*i.e.*, without the loan detail records). If the school decides not to receive the loan detail on a regular basis, the school can request loan detail for any previous monthly statement if needed.

For schools that choose to receive loan detail, the DLSAS file will include booked disbursement transactions acknowledged during the month, sorted by Loan ID.

CHAPTER 9
Certifying Borrower Enrollment Status

Essential SSCR Questions

Can I use my Federal Family Education Loan procedures for Direct Loans?

What are the various stages and steps of the SSCR Processing Cycle?

How should I schedule my SSCR Cycles?

General Information

Since the passage of the Higher Education Act of 1965, schools have been required to confirm and report the enrollment status of attending students who receive federal loans. This reporting process is called the Student Status Confirmation Report (SSCR). Because a student's enrollment status determines his or her deferment privileges and grace periods, as well as the government's payment of interest subsidies, SSCR is critical for effective administration of Title IV loans.

In the past, schools received a roster from each guaranty agency for that agency's borrowers who were enrolled at that school. Since each roster had a separate processing schedule and format, automating the process was difficult.

The implementation of the National Student Loan Data System (NSLDS) in 1994, which tracks and monitors all Title IV student loan borrowers and grant overpayments, brought centralized and automated enrollment verification to the SSCR process.

School Requirements

The accuracy of the Title IV student loan records depends heavily on the accuracy of the data the school reports. Schools or their servicers must correctly match the NSLDS records with enrollment records, confirm or update student enrollment status and other student information, and correct any errors identified by NSLDS. The requirements for Direct Loans are the same as the requirements for FFEL.

To participate in the electronic SSCR process, the school or servicer needs to sign up for the Title IV Wide Area Network (WAN) and have a contact person at the school for SSCR-related matters.

Scheduling SSCR Cycles

Under the Title IV Federal loan programs, all schools must complete any SSCR roster sent to their school by ED or by a guaranty agency. Once a school has successfully returned an SSCR Roster File, it does not have to respond to a guaranty agency request for SSCRs. In addition, when a student's enrollment status changes in any way that affects his or her deferment privileges, you must notify the lender of the change within 30 days through an ad hoc report, unless an SSCR is processed within 60 days. An ad hoc report is--

- An unscheduled submittal file (created on a PC using EDExpress or on a mainframe) that is sent to NSLDS, which contains detail records for the students whose enrollment status has changed.
- The on-line updating of student records using the SSCR functions of NSLDS.

Guidelines

Because different schools have different academic calendars, the new SSCR process lets you determine how your school can best meet its reporting requirements. You may choose between two (minimum) and six (maximum) cycles each year. You set up your reporting schedule through the Title IV WAN connection to NSLDS. When establishing your schedule, you must comply with the following.

- Regular term-based schools (semester, quarter, or trimester) must complete at least one SSCR cycle each regular term. A summer session does not count as a term.
- Schools that do not use regular terms must complete at least two SSCR cycles each year at dates that they choose, but the dates must be at least four months apart.
- All reporting cycles must be at least 60 days apart.

Recommendations

To fulfill the regulatory requirement for informing the lender of students whose enrollment status changes, ED recommends that you schedule an SSCR cycle every other month during the academic year. Such a schedule will eliminate the need for ad hoc reporting. If you cannot schedule SSCR cycles that often, ED encourages you to schedule one or more cycles beyond your minimum requirement, to reduce the amount of ad hoc reporting as much as possible.

The following table shows recommended SSCR cycle dates for schools on different academic calendars. You should modify these recommendations to take into account your school's workload throughout the year.

Bear in mind that you receive an error notification file within several days of sending your submittal file, and you must correct any errors and return an error correction file within ten days. Consequently, you should avoid scheduling an SSCR cycle when resources are limited or unavailable.

Recommended SSCR Cycle Dates

Semester Schools	Quarter Schools	Other Schools
September	October	October
November	December	December
January	February	February
March	April	April
May or June	June	June
		August

Schools may change their schedule at any time, as long as they meet the minimum of two reporting cycles.

Processing Cycle

SSCR processing through NSLDS significantly streamlines the entire enrollment confirmation procedure. It can optimize the frequency of scheduled reporting cycles and, therefore, the timeliness of the data.

The checklist that follows describes the entire activity, step by step, showing which participant is responsible for each step. Regardless of how many times you elect to report, each cycle must include the following steps:

First Phase

NSLDS:

- ✦ Generates the SSCR Roster File for your school, in your chosen transmission medium (telecommunications or tape); and
- ✦ Forwards the Roster File to you or your servicer.

School or Servicer

- Receives the Roster File;
- Matches the Roster File against registration/enrollment records;
- Updates each student's enrollment status and effective enrollment status date with valid codes (defined in Chapter 5 of the *SSCR User's Guide*);
- Proposes changes to student identifiers (SSN, last name, first name, middle initial, and birth date) as needed;
- Changes or adds student identifiers (SSN, last name, first name, middle initial, and birth date) as needed;
- Changes or adds student address data as needed;
- Adds a Detail Record to the file for each new student as needed;
- Checks that the updated file contains valid data (as defined in Chapter 5 of the *SSCR User's Guide*), to reduce the likelihood that NSLDS will find errors; and
- Returns the updated SSCR Roster File, now called the SSCR Submittal File , to NSLDS within 30 days of the date it is sent to the school.

Second Phase

NSLDS:

- Receives the SSCR Submittal File;
- Edits the Submittal File contents;
- Updates the NSLDS with enrollment status changes;
- Captures proposed student identifier changes and new or changed address data;
- Returns the SSCR Error Notification File, which includes any records containing errors, applicable error codes, and a count of accepted and rejected records, to the school or servicer for correction (if there are no errors, the file contains a count of accepted records and no Detail Records);

- Forwards the new and changed data to each affected data provider weekly (*i.e.*, Guaranty Agency or Direct Loan Servicer); and
- Monitors the timeliness of your school's response, following up if necessary.

School or Servicer:

- Receives the SSCR Error Notification File;
- Considers the SSCR cycle complete if all records were accepted by NSLDS (the file can be retrieved for audit purposes);
- Corrects any records with identified errors; and
- Returns the corrected records to NSLDS as the SSCR Error Correction File within ten days of the date it is sent to the school or servicer.

Third Phase

(If the school or servicer returns an SSCR Error Correction File.)

NSLDS:

- Receives the returned Error Correction File;
- Edits the returned Detail Records;
- Repeats the last five steps of the NSLDS section immediately above; and
- Sends a revised SSCR Error Notification File to the school or servicer.

NSLDS begins the next cycle by generating a new Roster File reflecting all changes applied from the last SSCR Roster File, including unresolved errors from the previous cycle. (More complete information is contained in Chapter 2 of the *SSCR User's Guide: Preparing for the SSCR Process*.)

The SSCR User's Guide and Customer Support

Schools should reference the *SSCR User's Guide* for more detailed information on the topics discussed here. The SSCR User's Guide also contains:

- an overview of NSLDS
- a discussion of users of SSCR data
- record layout details
- instructions on using NSLDS on-line functions
- problem resolution.

To receive a copy of the SSCR User's Guide or to find out more about the SSCR process, please contact NSLDS Customer Service at 1-800-999-8219. (Hours of operation are 8:00 am – 8:00 pm EST.)

The remainder of this chapter does not apply to schools using EDE.

SSCR Roster File

The SSCR Roster File (prepared by NSLDS) contains student borrowers who are recorded as attending your school. When you complete the sign-up forms for the Title IV WAN, you select one of the following delivery methods for receiving the SSCR roster file:

Telecommunications: Users will log onto the Title IV WAN and use the Store-and-Forward Facility to receive the roster file in an electronic mailbox;

Magnetic tape: Users will receive the roster file by mail, on a cartridge or reel; or

Servicers: Schools using a servicer will not receive the roster file directly, because it will be sent to the servicer on a magnetic tape or by telecommunications.

Matching Student Data

The Detail Records in the SSCR Roster File must be matched to the student records in the school's registration system using software developed by the school's or servicer's computer personnel.

SSCR Roster files received through the Title IV WAN can be processed on a PC. The EDExpress software that is part of the Title IV WAN package can display the Roster File records one at a time for updating and building the submittal File for transmission through the Title IV WAN.

Reading and Updating the SSCR File

Any data that you add to the file or change must be formatted according to the record layout and field definition specification in Chapter 5 of the User's Guide. Each Detail Record contains a Record Sequence Number which should not be changed.

Student Identifiers

Each Detail Record contains the following student identifiers:

- Social Security Number (also a record identifier)
- Last name
- First name (also a record identifier)
- Middle initial
- Date of birth (also a record identifier).

Student identifier data which the school determines to be outdated or incorrect should be updated with the fields prefixed with the word "New." When *any* "New" name field is changed, the school must update all "New" name fields.

Student SSN's provided by NSLDS should not be changed to match student identifier numbers used by the school to identify the student in school registration records. A School Identification Designator field has been provided specifically for school use.

Enrollment Status Review

Each Detail Record also contains three enrollment-related fields which must be reviewed and updated (if necessary):

- Date of Anticipated Completion
- Code for Enrollment Status
- Date Enrollment Status Effective.

Address Update

All address fields for all students must be filled in along with the Address Effective Date (if known) or the nearest approximate date available. NSLDS will forward address information to the data providers for use in borrower tracking. In later SSCR cycles, address information should be compared to school student information records and schools should update their records.

Adding Students

Students enrolled at the school who do not appear on the SSCR can be added to the SSCR Submittal File. It should be run through an error-checking or editing routine. Detecting and correcting errors in the SSCR Submittal File before sending it to NSLDS can reduce the number of times NSLDS returns the file for correction, as well as reduce the number of errors NSLDS finds.

Sending the SSCR Submittal File

The SSCR Submittal File must be submitted to NSLDS within 30 days of receiving the SSCR Roster File. The Submittal File can be sent via the store-and-forward facility of the Title IV WAN to NSLDS' electronic mailbox, or can be sent by magnetic tape.

Error Notification and Correction

After NSLDS receives and processes the Submittal File, the school will receive an acknowledgment in the form of an Error Notification File which includes one of the following:

- A count of all accepted records and no Detail Records if the Submittal File contained no errors; or
- A count of both the accepted and rejected records with Detail Records that could not be processed and the applicable error codes.

An Error Notification File containing Detail Records with errors must be corrected and returned to NSLDS within ten days.

(More complete information is contained in Chapter 4 of the *SSCR User's Guide: Building the Submittal and Error Correction Files*.)

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CHAPTER 10

Direct Loan Servicing Center Response and Support

Essential Questions

- What functions does the Direct Loan Servicing Center perform?
- What kinds of communications does the Direct Loan Servicing Center provide to borrowers?
- How can my students receive a deferment or forbearance?
- How can I contact the Direct Loan Servicing Center?
- How can my school comment on the performance of the Direct Loan Servicing Center?

General Information

Computer Data Systems, Inc., in Utica, New York manages the current Direct Loan Servicing Center (Loan Servicing Center).

Loan Servicing Center Activities

Once loans are "booked," the Department of Education's Direct Loan Servicing Center assumes responsibility for servicing and collection activities. These activities, similar to those that lenders perform in the Federal Family Education Loan (FFEL) Program, include:

- Contacting students after initial loan disbursement with additional loan program information
- Applying and capitalizing accrued interest, applying fees, and maintaining borrower account balances
- Recording all payments received daily and applying payments to borrowers accounts
- Tracking and researching unapplied payments

- Tracking loans through in-school and grace periods and converting loans to repayment status
- Processing deferment and forbearance requests
- Reporting loan information to the National Student Loan Data System and the Department's Central Database
- Collecting and analyzing all information required to support borrowers' requests for loan repayment plans
- Performing comprehensive loan collection activities, including billing, letter writing, telephoning, skip tracing, and borrower tracking activities
- Repaying the collected loan proceeds to the Department of Treasury
- Maintaining audit trails
- Providing required accounting support
- Answering inquiries from the Department and participating schools
- Providing for standard and ad hoc reporting needs
- Interfacing with other systems, as required.

Many schools are familiar with these operations under the current FFEL Program. However, several activities are worthy of special discussion because they apply directly to borrowers and schools.

Borrower Service Features

The school is the borrower's primary contact up to the time Direct Loan funds are disbursed. At that point, the Loan Servicing Center notifies the borrower of the booked loan and begins a relationship that will continue until the borrower fully repays the loan.

The Loan Servicing Center's first communication with the borrower occurs after the loan has been booked. Additional communication occurs throughout the repayment period. The Loan Servicing Center also provides the borrower with contacts and telephone numbers in case he or she has questions about the loan or its provisions.

Addresses and Toll-Free Number

The borrower can locate the address and toll-free telephone numbers of the Loan Servicing Center on all correspondence he or she receives from the Loan Servicing Center. The general correspondence and Direct Loan Payment Center addresses and toll-free telephone numbers for borrower inquiries are listed below:

Direct Loan Servicing Center – Utica

Correspondence Address:	*Direct Loan Payment Center Address:*
U.S. Department of Education Borrower Services Department Direct Loan Servicing Center P.O. Box 4609 Utica, NY 13504-4609	Direct Loan Servicing Center P.O. Box 746000 Atlanta, GA 30374-6000

Telephone Numbers for Borrower Inquiries:

1-800-848-0979
TDD: 1-800-848-0983
FAX: 1-800-848-0984
Delinquent Account/Collections Department: 1-800-848-0981

Hours of Operation are 8:00 am – 8:00 pm EST.

Standard Communications

Most of the Loan Servicing Center's communication with borrowers will fall into one of the following categories:

- Loan disbursement notifications
- Deferment and forbearance assistance
- Account servicing documents (monthly billings, quarterly statements, coupon books, and annual statements).

Loan Issuance Notification

Through the loan disbursement record, the school notifies the Loan Origination Center of each loan disbursement made to a borrower. Within 10 business days of receiving this record, the Loan Servicing Center will contact the borrower at his or her permanent address. The communication to the borrower will include:

- A redisclosure of the loan amount, the amount disbursed to date, and the loan's terms
- The name of the office to contact if the borrower did not receive the loan proceeds or if the borrower has questions.

Deferment and Forbearance Assistance

During the repayment period, a borrower may request a deferment or a forbearance. A deferment is a period of time during which repayment of the loan principal is temporarily postponed. If the loan is a Direct Subsidized Loan or Direct Subsidized Consolidation Loan, there will be no interest charged to the borrower while the loan is in deferment. During deferment, interest is charged on all other Direct Loans. A forbearance is an arrangement to postpone or reduce a borrower's payment amount for a limited and specified period. During forbearance, interest is charged on all Direct Loans. When interest is charged during deferment and forbearance periods, the borrower can choose to pay the interest during the forbearance period or have it capitalized (i.e., added to the principal balance) at the end of the period.

The Loan Servicing Center will notify borrowers of deferment and forbearance options during delinquent loan collection. The notification will describe the borrowers' options and provide a telephone number and address for further assistance.

- A borrower may request deferment or forbearance forms by telephone from the Loan Servicing Center. The Loan Servicing Center tracks all deferment and forbearance requests from a borrower. The Loan Servicing Center completes the borrower-specific information at the top of the forms and sends them to a borrower within three business days of receiving the request.
- A school may choose to keep a supply of deferment and forbearance forms in its Financial Aid Office. If a borrower obtains these forms from the school, the borrower must complete the borrower-specific information at the top of the forms in addition to other information requested on the forms. Forms are also on the Direct Loan web site.
- The Loan Servicing Center reviews deferment and forbearance forms for completeness and accuracy and may contact a borrower for any additional information needed to complete the forms.
- Borrowers must provide the Loan Servicing Center with all information and documents necessary to establish eligibility for a specific type of deferment or forbearance. The Loan Servicing Center acts on all deferment and forbearance requests within 10 business days of obtaining all necessary information.

- The Loan Servicing Center will negotiate deferments and forbearances to meet the needs of the borrower while maintaining compliance with the law and regulations.

Deferments

Direct Loan borrowers are entitled to the same deferments as FFEL Program borrowers who had no outstanding balance as of July 1, 1993. In addition, Direct Loan borrowers who have an outstanding balance on a FFEL Program loan (made before July 1, 1993) at the same time they obtain a Direct Loan are eligible for all the pre-July 1, 1993, FFEL deferments. The Direct Loans entrance and exit counseling materials list these additional deferments (see Chapter 4).

All Direct Loan borrowers qualify for deferment when the borrower is

- Enrolled at least half-time at an eligible school
- Pursuing a course of study under an eligible graduate fellowship program
- Pursuing a rehabilitation training program for disabled individuals
- Conscientiously seeking, but unable to find, full-time employment (not to exceed three years)
- Experiencing, or will experience, economic hardship (not to exceed three years).

Forbearance

A forbearance is available when the borrower is willing but unable to make scheduled payments. Forbearance can take the form of several options: the borrower either makes no payments, or makes smaller payments than originally scheduled.

Forbearance is also available if the borrower

- Is unable to make scheduled payments due to poor health, temporary financial hardship, or other acceptable reasons
- Serves in a medical or dental internship or residency program
- Serves in a position under the National and Community Service Trust Act of 1993
- Has a monthly debt burden for all federal Title IV student loans that equals or exceeds 20 percent of his or her total monthly gross income (not to exceed three years).

Account Servicing Statements

The Loan Servicing center mails a variety of statements to each borrower to keep him or her updated on the status of the loan.

Quarterly Interest Statements

During the in-school, grace, deferment, and forbearance periods, quarterly interest statements are mailed to all unsubsidized loan borrowers. The statements list the interest paid during the last quarter, the interest accrued during the last quarter, and the outstanding principal balance. Borrowers are informed that they may pay or not pay the interest that has accrued. Any unpaid accrued interest will be capitalized (added to the principal balance at the end of the period.

Annual Statements

Annual statements are mailed to all borrowers within the first 60 days of every calendar year.

The annual statement provides some of the following specific information to Direct Loan borrowers:

Activity for the Year

- Opening Balance
- Payments/adjustments
- New Loans/Interest/Charges
- Capitalized Interest
- Ending Balance
- School Adjustments

Cumulative Loan Information

- Total Amount of Loans
- Adjusted Loan Amount
- Total Principal Paid
- Total Interest Paid
- Total School Adjustments
- Total Capitalized Interest
- Total Principal Balance
- Total Charges Paid

Billing Statements

Borrowers who are not using Electronic Debit Account (EDA) or coupon books to make their monthly payments are mailed billing statements monthly. Each billing statement provides the current outstanding principal balance, current amount due, and any past due amounts.

School Services

The Loan Servicing Center maintains a toll free telephone number to support schools:

✦ Direct Loan Servicing Center—Utica
School Services
1-800-877-7658

Hours of Operation are 8:00 am – 8:00 pm EST.

A complete list of toll-free telephone numbers for the Loan Servicing Center is included in Appendix W.

The Loan Servicing Center also provides exit counseling support to schools. See Chapter 4 for more information on exit counseling support.

Problem Resolution

If schools or borrowers have a complaint related to either the Direct loan Servicing Center or the Loan Origination Center, they should contact the School Relations (schools) or Borrower Services (borrowers) unit at the appropriate site. If further action is necessary, the school or borrower should contact the Regional Direct Loan Account Management Staff in their region. The Account Management Staff will research questions and complaints, follow up if necessary, and attempt to come to a resolution. The telephone numbers of the Regional Account Managers are listed in Appendix W.

When the Department of Education receives a complaint about any servicers (Servicing or Loan Origination), a copy of the complaint will be sent to the appropriate center. Complaints concerning collection activity at the Loan Servicing Center will be handled as follows:

✦ If the complaint alleges a violation of state or federal law, the Loan Servicing Center will temporarily cease collection activity on the account in question.

✦ If the complaint is received by the Loan Servicing Center directly from the borrower, the Loan Servicing Center will notify the Department of Education of the complaint (usually within three days).

- Collection activity on the account will not be resumed until the Department of Education or the Loan Servicing Center has approved resolution of the complaint.

Chapter 11
Quality Assurance

Essential Questions

- What does quality assurance (QA) mean for my school?
- If my school is already involved in QA, what changes are necessary for Direct Loans?
- Is my school required to participate in QA?

General Information

You may know something about the Department of Education's current Title IV Quality Assurance Program (QAP) and wonder how the Direct Loan Quality Assurance System fits in. Quality Assurance, a required component of the Direct Loan Program, is a proactive rather than a reactive management style and allows you to anticipate and solve problems before they become major.

Quality assurance is based on evaluation and improvement and can help you successfully administer Direct Loans.

- Schools use self-assessment instead of after-the-fact inspection to look at their procedures, practices and policies.
- Schools can take ongoing action to strengthen vulnerable areas.

Schools can identify and correct problems before they are discovered as institutional liabilities in audits and program reviews by using

- strategic planning
- employee involvement
- structured problem solving
- performance measures
- corrective action.

ED provides tools to assist institutions in conducting qualitative quality assurance activities for Direct Loans in the *Direct Loan Quality Assurance Planning Guide (QA Planning Guide)* and by providing quantitative *Measurement Tools* as a module *in the EDExpress software*. These tools were developed to ease implementation for institutions that are new to quality assurance. The *QA Planning Guide* serves as an *optional* technical assistance document for a Direct Loan QA system and contains a five-step quality assurance model and quality assurance worksheets.

- Step One: "Setting the Direction" – planning an overall strategy that will result in continuous school improvement
- Step Two: "Involving Staff" -- establishing the appropriate team to conduct the review
- Step Three: "Assessing Operations" -- beginning the problem-solving process
- Step Four: "Taking Action" -- addressing problem areas
- Step Five: "Reviewing Progress" -- evaluating results of previous steps.

These steps are progressive and interrelated. Each focuses on assuring effective stewardship of the Direct Loan Program and on providing students with excellent service.

This approach is described in detail in the Department's *The Direct Loan Quality Assurance Planning Guide: (QA Planning Guide).*

Institutions can meet the Direct Loan Program QA requirement by conducting any one of the following options:

- Completing the Direct Loan Management Assessment contained in the *QA Planning Guide* and implementing corrective actions;
- Completing the Title IV Wide Management Assessment contained in the *QA Planning Guide* and implementing corrective actions;
- Running the Measurement Tools contained in the EDExpress software and assessing the results in order to implement corrective actions;
- Utilizing the NASFAA Self-Assessment Guide; or
- Utilizing any comparable quality assurance methodology or analysis.

Note: Institutions participating in both ED's Quality Assurance Program (QAP) and the Direct Loan Program are not required to complete the Direct Loan Management Assessment or adopt any additional self-assessment. These institutions will complete the Title IV Management Assessment worksheets prescribed by ED's QAP.

Management Worksheets

The Management Assessment Worksheet tools provided in the *Direct Loan Quality Assurance Planning Guide* assist financial aid administrators to review administrative procedures against federal requirements, identify strengths and weaknesses of office operations, and begin to remedy areas of institutional vulnerability.

Institutions may, but are not required to, use either of the worksheets. Other assessment documents or tools such as the Measurement Tools provided in EDExpress, NASFAA's Self-Assessment Guide, or a comparable quality assurance methodology or analysis may be used.

- The "Management Assessment (MA) Worksheets" are used to assess financial aid operations and are available in paper in Appendix Z of this Guide and on the Web. The worksheets help schools evaluate practices affecting the Direct Loan Program and help them improve vulnerable areas.
- The MA Worksheet uses a series of questions in five categories to address Direct Loan Program administration. The five categories are
  - institutional participation
  - fiscal management
  - recipient eligibility
  - award calculation
  - reporting and reconciliation.
- Schools do not have to address all administrative areas in the MA Worksheet but can focus on the most problematic.
- Schools are not required to submit completed MA Worksheets to the Department.
- Schools may use an expanded version of the MA Worksheet to perform full-scale self-assessments of the Title IV programs.

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Note: Schools participating in both ED's Quality Assurance Program (QAP) and the Direct Loan Program will complete the Title IV Management Assessment worksheets prescribed by ED's QAP.

✦ Schools may use the "Management Action Plan Worksheet" for areas needing improvement. These worksheets are also available in paper or on the Web. Schools will identify

- actions to be taken
- resources and personnel needed
- timeframes to implement changes.

NOTE: You are not required to use the Management Action Plan Worksheet; you may develop your own tools to take action on problem areas. Consider discussing your approach with other Direct Loan schools or with QAP schools to obtain additional perspectives on how to proceed.

Progress Reports

There is no reporting requirement to ED on quality assurance activities. Institutions are required to maintain documentation regarding quality assurance system activities in a QA Master File at the institution.

Institutions participating in both ED's Quality Assurance Program and the Direct Loan Program will complete a Title IV Wide Management Assessment Worksheet (MA 3a, or 3b & 3c) and will report results using routine QAP reporting procedures.

Points to Consider in Managing Direct Loans

Consider developing a list of your constituents, including prospective students, their parents, high school counselors, other campus administrators, regents, etc.

Make sure that all who need to know about the school's decision to participate in Direct Loans are kept informed.

It might be appropriate to designate one or two people in your office as official Direct Loan spokespersons.

Develop a team approach to Direct Loans at your school. As you can see from the discussion in this chapter, the issues to consider will involve staff other than financial aid office personnel. Teams, committees, working groups, and task forces are all ways to encourage communication and commitment.

Assess your school's resources, including mainframe and/or personal computer systems. Depending on your level of automation, you may want to phase-in the Direct Loan Program.

Use the "Five Steps" outlined in the Direct Loan Planning Guide to implement the Direct Loan Program and your Direct Loan Quality Assurance System. These steps are progressive and serve as a base for launching a quality Direct Loan program that has recurring assessment activities for continuous improvement.

Develop a collaborative problem-solving approach. Use the Direct Loan Program to re-think the process of providing customer service to your students. Identify the issues that need to be explored and the timeframe for resolution.

Appendix A

Direct PLUS Loan Application and Promissory Note

Direct Loans
William D. Ford Federal Direct Loan Program

William D. Ford Federal Direct Loan Program
U.S. Department of Education

OMB No. 1840-0666
Form Approved
Exp. Date 12/31/99

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

Federal Direct PLUS Loan Application and Promissory Note

Section A: To Be Completed By Borrower

1. Name (last, first, middle initial) and Permanent Address (street, city, state, zip code)

2. Social Security Number

3. Date of Birth

4. Permanent Area Code/Telephone Number

5. Driver's License Number (list state abbreviation first)

6. U.S. Citizenship Status (check one) *Alien registration number*
1 ☐ U.S. citizen or national 2 ☐ Permanent resident or other eligible alien 3 ☐ Neither 1 nor 2

7. Loan Amount Requested

8. Loan Period Requested From MM/DD/YY To MM/DD/YY

9. **References**: You must list two persons with different U.S. addresses who have known you for at least three years.

Name	1.	2.
Permanent Address		
City, State, Zip Code		
Area Code/Telephone	( )	( )

10. Employer's Name

11. How many years with this employer?

12. Employer's Address

Employer's Area Code/Telephone Number

14. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? If "Yes," read the instructions carefully and attach the required documentation. ☐ YES ☐ NO

Section B: To Be Completed By Student

15. Name (last, first, middle initial)

16. Date of Birth

17. Social Security Number

18. U.S. Citizenship Status (check one) *Alien registration number*
1 ☐ U.S. citizen or national 2 ☐ Permanent resident or other eligible alien 3 ☐ Neither 1 nor 2

19. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? If "Yes," read the instructions carefully and attach the required documentation. ☐ YES ☐ NO

I will notify the school or the Servicer in the event of the borrower's permanent and total disability or death. My signature certifies that I have read and agreed to the conditions outlined in the "Student Certification" printed on the reverse of this Loan Application and Promissory Note.

20. Signature of Student 21. Date

Section C: To Be Completed By School

22. School Name

23. School Code/Branch

24. Address (street, city, state, zip code)

25. Loan Period Approved
From: MM/DD/YY To: MM/DD/YY

26. Certified Loan Amount

27. Recommended Disbursement Date(s)
(MM/DD/YY) 1st 2nd 3rd 4th

I promise to pay the U.S. Department of Education all sums (hereafter "loan" or "loans") disbursed under this Promissory Note plus interest and other fees which may become due, as provided in this Promissory Note. If I fail to make payments on this Promissory Note when due, I will also pay collection costs including attorney's fees and court costs. I understand that I may cancel or reduce the size of my loan by refusing any disbursement that is issued to me.

I understand that this is a Promissory Note. I will not sign this Promissory Note before reading it, even if I am advised not to read this Promissory Note. I am entitled to an exact copy of this Promissory Note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree to the terms and conditions of this Promissory Note. My signature on this Promissory Note will serve as my authorization for my loan proceeds to be credited to the student account of the student identified in Section B by the school identified in Section C.

Under penalty of perjury, I certify that the information contained in the Borrower Section (Section A) of this Promissory Note is true and accurate. The proceeds of this loan will be used for authorized educational expenses of the student named above at the certifying school for the specified loan period. I authorize the Secretary of the U.S. Department of Education to investigate my credit record and report information concerning my credit to the proper persons and organizations.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

8. Identification Number(s)

29. Signature of Borrower Date

Disclosure of Terms

This Promissory Note applies to Federal Direct PLUS Loans (Direct PLUS Loans). In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, et seq., and applicable U.S. Department of Education (ED) regulations are referred to as "the Act." The terms of this note will be interpreted in accordance with the Act and other applicable federal statutes.

I agree to pay interest on the principal amount of the loan from the date of disbursement, until the loan is paid in full. If I fail to make the required interest payment when due, I agree that ED may add the accrued interest to the unpaid balance of the loan. This is called capitalization.

Interest Rate. The interest rate on this loan during any 12-month period beginning on July 1 and ending on June 30, is determined on the preceding June 1 and is equal to the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to such June 1; plus 3.1 percentage points, but shall not exceed 9 percent.

If this note is signed before July 1, with an anticipated disbursement date that is after July 1, the variable interest rate on this promissory note is determined on the preceding June 1 and is equal to the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to that June 1.

For Direct PLUS Loans made on or after July 1, 1998, the applicable of interest for any 12-month period beginning on July 1 and ending on June 30, will be determined on the preceding June 1 and will be equal to the bond equivalent rate of the security with a comparable maturity as established by the Secretary, plus 2.1 percentage points. However, the rate will not exceed 9.0 percent.

I will receive a statement of the actual interest rate after the first disbursement of the loan. If, after reviewing the actual interest rate, I decide to decline this loan, I am entitled to a refund of all loan origination costs if I pay back the principal on this note in full to ED within 120 days of disbursement.

Repayment. I am obligated to repay the full amount of the loan and accrued interest. Unless I have received a deferment or forbearance, the repayment period for a Direct PLUS Loan will begin on the date that the loan is fully disbursed. The first payment is due within sixty days of that date.

There are three repayment options: (1) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time; (2) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, except that I shall annually repay a minimum amount that will be determined by ED; and (3) a graduated repayment plan, with annual repayment amounts established at two or more graduated levels and paid over a fixed or extended period of time, except that my scheduled payments must cover interest charges and shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan. ED will provide me with an opportunity to select a repayment plan. If I do not select a plan, ED will provide me with a repayment plan.

ED will issue a repayment schedule that provides a schedule of payment amounts and due dates. My repayment schedule will include all of my Direct PLUS Loans. (ED may grant me forbearance to eliminate a delinquency that persists, even though I am making scheduled payments.)

I may prepay all or any part of the unpaid balance on the loans at anytime without a penalty. All payments are applied in the following order: charges and collection costs first, outstanding interest second, and outstanding principal last.

Late Charges and Collection Costs. If I fail to make an installment payment when it becomes due, ED may collect a late charge. If I default on a loan, I will pay reasonable costs plus court costs, collection fees and attorney's fees.

Acceleration and Default. At the option of ED, the entire unpaid balance will become immediately due and payable upon the occurrence of any one of the following events: (a) the student who is the subject of this Direct PLUS Loan fails to enroll as at least a half-time student at the school that certified the loan application; (b) the proceeds of the loan are used for expenses that are unrelated to education; (c) I, the borrower, make a false representation that results in my receiving a loan for which I am ineligible; or (d) I default on the loan.

I will default on this loan if I fail to make an installment payment when it is due, or to meet the other terms of this promissory note. The following events will constitute a default on the loan: (a) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; (b) I fail to make installment payments when due or to comply with the other terms of this note, and ED reasonably concludes that I no longer intend to honor the repayment obligation, provided the failure has persisted for at least 180 days. If I default, ED will capitalize all outstanding interest into a new principal balance.

If I default on this loan, the default will be reported to national credit bureaus. I understand that the resulting credit report will have a negative effect on my credit rating. If I default on this loan, my federal income tax refund may be withheld to pay the debt, my wages may be garnished or offset, and legal action may be brought against me to enforce the terms of this note. I will be ineligible for additional federal student financial aid and for assistance under most federal benefit programs.

Any notice that is required to be given to me will be effective when mailed by first class mail to the latest address that ED has for me. I will immediately notify ED of any change of my address or status as specified in the Statement of Borrower's Rights and Responsibilities. Failure to enforce, or insisting on compliance with, any term of this note shall not be a waiver of any right of ED. The provisions of this note can only be waived or modified, in writing, by ED. If any provision of this note is deemed to be unenforceable, the invalidity of that provision will not invalidate this promissory note.

Important Notices

Privacy Act Disclosure Notice. The Privacy Act of 1974 (5x U.S.C.552a) requires that we disclose to you the following information:

The authority for collecting this information is §451 et seq. of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. 1087a et seq.). The principal purposes for collecting this information are to process your Federal Direct PLUS Loan Application and Promissory Note that is made under the William D. Ford Federal Direct Loan (Direct Loan) Program, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan.

We ask that you provide the information requested on this Federal Direct PLUS Loan Application and Promissory Note (promissory note) on a voluntary basis. However, you must provide all of the requested information that is available to you so the Department may determine your Direct Loan Program eligibility and process your promissory note.

The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59, p. 65532). Thus, this information may be disclosed to parties that we authorize to assist us in administering the Federal student aid programs, including contractors that are required to maintain safeguards under the Privacy Act. Disclosures may also be made for verification of information, determination of eligibility, enforcement of conditions of the loan or grant, debt collection, and the prevention of fraud, waste, and abuse and these disclosures may be made through computer matching programs with other Federal agencies. Disclosures may be made to determine the feasibility of entering into computer matching agreements. We may send information to members of Congress if you ask them in writing to help you with Federal student aid questions. If we are involved in litigation, we may send information to the Department of Justice (DOJ), a court, adjudicative body, counsel, or witness if the disclosure is related to financial aid and certain other conditions are met. If this information either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for consideration of action and we may disclose to DOJ to get its advice related to the Title IV, HEA programs or questions under the Freedom of Information Act. Disclosures may be made to qualified researchers under Privacy Act safeguards. In some circumstances involving employment decisions, grievances or complaints, or involving decisions regarding the letting of a contract or making of a grant, license, or other benefit, we may send information to an appropriate authority. In limited circumstances, we may disclose to a Federal labor organization recognized under 5 U.S.C. Chapter 71.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that the data may be recorded accurately.

Financial Privacy Act Notice. Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

Student Certification

I declare under penalty of perjury that the following is true and correct: (1) I certify that the information contained in the Student Section (Section B) of this document is true, complete and correct to the best of my knowledge and belief and is made in good faith. (2) I certify that the borrower named in the Borrower Section (Section A) of this document is my natural or adoptive parent or my legal guardian. (3) I authorize the release of information pertinent to this loan (i) by the school, ED, or their agents, to members of my immediate family unless I submit written direction otherwise; and (ii) by and amongst my school(s), ED, and their agents. (4) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant, and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans) or the Federal Family Education Loan Program (FFEL), or the Direct Loan Program, or, if I am in default, I have made payment arrangements that are satisfactory to ED. (5) So that the loans(s) requested can be approved, I authorize ED to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to state agencies and nonprofit organizations that administer financial aid programs under the Direct Loan Program. (6) I authorize my schools and ED to verify my social security number with the Social Security Administration (SSA) and, if the number is incorrect, then I authorize SSA to disclose my correct social security number to these parties.

Application and Promissory Note Instructions

OMB No. 1840-0666
Form Approved
Exp. Date 12/31/99

This promissory note applies to Federal Direct PLUS Loans (Direct PLUS Loans).

The Federal Direct PLUS Loan (Direct PLUS Loan) allows parents to borrow federal funds on behalf of a dependent child who is an undergraduate. The completed application should be legibly prepared in blue or black ink or typewritten. The completed application must be signed.

Section A: To Be Completed By Borrower

Items 1 through 14. Section A should be completed by the **parent** who is applying to be a borrower of a Direct PLUS Loan. All references to "you" in this section mean the parent borrower.

Items 1-4: Enter the information requested.

Item 5. Enter the two-letter abbreviation of the state that issued your current driver's license followed by the driver's license number. If you do not have a current driver's license, enter the letters "N/A."

Item 6. Place a check in the box that corresponds with your citizenship status. Enter the Alien Registration Number, if appropriate. The Direct PLUS Loan Program is intended to provide financial aid to parents who are either U.S. citizens, U.S. nationals, permanent residents, or certain Pacific Islanders who intend to become citizens or permanent residents of the United States.

The term **"U.S. citizen or national"** includes citizens of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and the Northern Mariana Islands.

A **"permanent resident"** of the United States must provide documentation of this status from the U. S. Immigration and Naturalization Service.

An **"eligible noncitizen"** is an individual who can provide documentation from the U. S. Immigration and Naturalization Service that he or she is in the United States for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident. This category includes refugees, persons granted asylum, Cuban-Haitian entrants, temporary residents under the Immigration Reform and Control Act of 1986, and others.

Item 7. Enter the amount of money that you are seeking to borrow. In requesting an amount of money, you should select the smallest amount of money that will satisfy the student's costs of attending school. You should remember that these funds are a loan from the U.S. Department of Education, and the loan must be repaid.

The maximum annual amount that is available to a Direct PLUS Loan borrower on behalf of an eligible student is limited to the cost of the student's education. The Direct PLUS Loan, together with all other financial aid, may not total more than the student's cost of attendance. There is no limit on the maximum aggregate amount that is available to Direct PLUS Loan borrowers. The school will make the final determination of the cost of attendance.

Item 8. Enter the beginning and ending dates (month, day, and year) of the academic period for which this loan is requested.

Item 9. Enter the requested reference information for two adults who do not share the same address. References with addresses outside the United States are not acceptable.

Item 10. Enter the name of your employer.

Item 11. Enter the number of years that you have been employed by the employer you reported in Item 10.

Item 12. Enter the address of the employer that you reported in Item 10.

Item 13. Enter the phone number of the employer that you reported in Item 10.

Item 14. You must check "Yes" if you are now in default on any loan you received under the Federal Perkins Loan Program (including National Defense Student Loans) or the Federal Family Education Loan Program (including Federal Stafford, Federal PLUS, Federal Supplemental Loans for Students, Federal Consolidation Loans, Federal Insured Student Loans, and Guaranteed Student Loans), or owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant. If you check "Yes" to this question, you must attach a written statement to this Application and Promissory Note for a Direct PLUS Loan explaining the current status of your debt.

You must check "No" if you are not now in default on any loan you received under the Federal Perkins Loan Program (including National Defense Student Loans) or the Federal Family Education Loan Program and if you do not owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant. A parent borrower who has successfully participated in a program which allows a borrower with a defaulted loan or loans to regain eligibility for all Title IV student financial assistance upon the borrower's payment of 6 consecutive monthly payments can check "No".

Parent Borrower: You have completed the Borrower Information section. Go to Item 29. Read the certification carefully, then sign and date the Application and Promissory Note.

Section B: To Be Completed By Student

Items 15 through 21. All information in Section B that has not been pre-printed should be completed by the **student** on whose behalf the parent is seeking the Direct PLUS Loan. The student must check "Yes" or "No" to question 19, read the Student Certification statement and then sign and date this Application/Promissory Note.

Item 15. Enter the legal name of the student, placing the last name first, followed by the first name and middle initial.

Item 16. Using only numbers, enter the month, day, and year of the student's birth. For example, for June 24, 1974 you would enter 06/24/74.

Item 17. Enter the student's nine-digit social security number. The social security number will be used to verify the identity of the student, to determine eligibility for the loan, to service the loan, and to collect on a delinquent or defaulted loan. The social security number may be furnished to the student's school, to an agent of the U.S. Department of Education, and to federal or state agencies to assist in the servicing or collection of the loan. Disclosure of the student's social security number is required as a condition for participation in the Direct Loan Program.

Item 18. Place a check in the box that corresponds with the citizenship status of the student. Enter the Alien Registration Number, if appropriate. The Direct PLUS Loan Program is intended to provide financial aid to students who are either U.S. citizens, U. S. nationals, permanent residents, or certain Pacific Islanders who intend to become citizens or permanent residents of the United States.

The term **"U.S. citizen or national"** includes citizens of the 50 states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and the Northern Mariana Islands.

A **"permanent resident"** of the United States must provide documentation of this status from the U.S. Immigration and Naturalization Service.

An **"eligible noncitizen"** is an individual who can provide documentation from the U.S. Immigration and Naturalization Service that he or she is in the United States for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident. This category includes refugees, persons granted asylum, Cuban-Haitian entrants, temporary residents under the Immigration Reform and Control Act of 1986, and others.

Item 19. The student must check "Yes" if the student is now in default on any loan received under the Federal Perkins Loan Program (including National Defense Student Loans) or the Federal Family Education Loan Program (including Federal Stafford, Federal PLUS, Federal Supplemental Loans for Students, Federal Consolidation Loans, Federal Insured Student Loans, and Guaranteed Student Loans), or owes a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Direct Loan Program, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant. If the student checks "Yes" to this question, the student must attach a written statement to the Application and Promissory Note for a Direct PLUS Loan, explaining the current status of the debt.

The student must check "No" if the student is not now in default on any loan received under the Federal Perkins Loan Program (including National Defense Student Loans) or the Federal Family Education Loan Program and if the student does not owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, Direct Loan Program, or a State Student Incentive Grant. A student who has successfully participated in a program that allows a borrower with a defaulted loan or loans to regain eligibility for all Title IV student financial assistance upon the borrower's payment of six consecutive monthly payments may check "No".

Item 20. The student must read the Student Certification section and sign this Application and Promissory Note for a Direct PLUS Loan.

Item 21. The student must sign and date this Application and Promissory Note for a Direct PLUS Loan.

Section C: To Be Completed By School

Items 22 through 28 must be completed by the school and printed on the Application and Promissory Note. Only a Financial Aid Administrator or another authorized school official is permitted to complete this section. Improperly certified information can create a financial liability for the school.

To Be Completed By Borrower

Item 29. After reviewing the terms of this Application and Promissory Note, the parent borrower must ***sign*** the note and enter the date that the document was signed.

Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1840-0666. The time required to complete this information collection is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to:**

School Relations
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, Alabama 36103-5692

Direct Loans

William D. Ford Federal Direct Loan Program
Federal Direct PLUS Loans (For Parent Borrowers)
Parent Borrower's Rights and Responsibilities

The William D. Ford Federal Direct Loan (Direct Loan) Program includes the following Direct Loans:

- Federal Direct Stafford/Ford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct PLUS Loans)
- Federal Direct Consolidation Loans (Direct Consolidation Loans)

Federal Direct PLUS Loans (Direct PLUS Loans) are specifically for parent borrowers. Direct PLUS Loans are to be used by a natural or adoptive parent, legal guardian, (and includes stepparent effective 7/1/96) of a dependent student to meet that student's educational expenses. The William D. Ford Federal Direct Loan (Direct Loan) Program is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended (the Act).

A Direct PLUS Loan is made by the United States Government and is administered by the U.S. Department of Education (ED). ED's Direct Loan Servicing Center will manage, answer questions about, and collect my loan. I will be provided with the address and telephone number of the Direct Loan Servicing Center.

1. **Maximum Loan Amounts.** Under the Direct PLUS Loan Program, I may borrow up to—but no more than—the dollar amount of my dependent student's estimated cost of attendance (COA) minus the amount of any estimated financial assistance to the student for the specified period of enrollment. The COA is an amount the school establishes using prescribed federal guidelines.

I am allowed to apply for a loan amount that is less than the maximum Direct PLUS Loan amount I am eligible to borrow. I may cancel or reduce the size of my loan by refusing to accept a loan disbursement that is issued to me.

2. **Loan Money.** The loan money I receive must be used only for my dependent student's authorized educational expenses to attend the school that awarded the loan for the time period specified on the loan application. Authorized expenses include—

- tuition
- room
- board
- institutional fees
- books
- supplies
- equipment
- transportation
- commuting expenses
- loan fees
- other documented, authorized costs

The loan money will be disbursed in multiple payments, based on the academic terms at the student's school. If the school does not use academic terms, disbursements will be made at least twice, once at the beginning and once at the midpoint of the student's enrollment period.

When I sign the promissory note, I am also giving my written approval to allow the school to directly apply the loan money to the student's account at the school. The Direct Loan Servicing Center will notify me in writing of each loan disbursement reported by the school.

3. **Change of Status.** I must notify the Direct Loan Servicing Center and the financial aid office at the student's school about certain occurrences.

Under federal law ***I must notify the Direct Loan Servicing Center, in writing, if any of the following events occur before my loan is repaid:***

- I change my address
- I change my name (for example, maiden name to married name)
- I change my employer, or my employer's address or telephone number changes, or
- I have any other change in status that would affect my loan (for example, losing eligibility for an unemployment deferment by obtaining a job)
- the student fails to enroll—
  - at least half-time, or
  - for the loan period specified by the school that awarded my loan
- the student withdraws from school or reduces enrollment to less than half-time
- the student transfers from one school to another
- the student graduates

4. **Cost of Borrowing and Effect on Eligibility for Other Student Aid.** All of my loans must be repaid. A Direct PLUS Loan must be repaid along with interest that will be charged during the life of the loan. I will be charged a fee for my Direct PLUS Loan, which is 4 percent of the loan principal. This amount will be deducted proportionately from each disbursement.

I also understand that my receipt of this loan may affect my dependent student's eligibility for other aid. Because of these factors, before I apply for a Direct PLUS Loan, it may be beneficial to determine whether the student is eligible for grants, work-study funds, and other forms of private and federal student aid that do not require repayment.

5. **Interest Rate.** It is my responsibility to pay interest on my loan. The interest rate on my Direct PLUS Loan will be a variable rate, adjusted once a year on July 1, and will not exceed 9 percent. The variable rate for each 12-month period will be equal to the bond equivalent rate of 52-week U.S. Treasury bills auctioned at the final auction held before the preceding June 1, plus 3.1 percentage points.

For Direct PLUS Loans made on or after July 1, 1998, the applicable of interest for any 12-month period beginning on July 1 and ending on June 30, will be determined on the preceding June 1 and will be equal to the bond equivalent rate of the security with a comparable maturity as established by the Secretary, plus 2.1 percentage points. However, the rate will not exceed 9.0 percent.

The interest rate that applies to my loan will be included in a letter that I will receive from the Direct Loan Servicing Center when my Direct PLUS Loan is made.

If I sign my Promissory Note before July 1, and I have an anticipated disbursement date that is after July 1, my interest rate may change after July 1. I will receive a statement of the actual interest rate from the Direct Loan Servicing Center after the first disbursement of my loan.

6. **Interest Charges.** ED will charge interest on my Direct PLUS Loan during authorized deferment and forbearance periods. (See paragraph 14 entitled "Forbearance.") I must pay the accruing interest during an authorized period of deferment or forbearance or capitalize the accruing interest by having it added to the loan principal. If I choose to capitalize accrued interest, the total cost of my loan will increase.

7. **Loan Cancellation.** If the school credits my loan to the student's account, I may cancel all or a portion of my loan by informing the school within 14 days after the date the school sends me a disbursement notice, or by the first day of the payment period, whichever is later. (The school can tell you the first day of your payment period). If I cancel all or a portion of my loan as provided for in this paragraph, the school must return to ED all or a portion of the loan proceeds credited to the student's account and the loan fee will be reduced or eliminated, in proportion to the amount of the disbursement returned.

At any time within 120 days of disbursement, I may pay back all or a portion of my loan. The loan fee will be reduced or eliminated in proportion to the amount of the disbursement returned.

8. **Repayment.** My first payment will be due within 60 days of the final disbursement of my Direct PLUS Loan unless I am eligible for a deferment.

There are several repayment plans from which I can select to repay my Direct PLUS Loan.

I will be given the opportunity to choose one of the following loan repayment plans.

NOTE: For the following repayment plans, the time limits shown do not include periods of deferment and forbearance.

- ***Standard Repayment Plan***—If I choose this plan, I will make fixed monthly payments and repay my loan in full within 10 years from the date the loan entered repayment. Payments must be at least $50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of the payments may need to be adjusted to reflect changes in the variable interest rate.

Parent Borrower's Rights and Responsibilities *(continued)*

- ***Extended Repayment Plan***—If I choose this plan, I will make fixed monthly payments and repay my loan in full within 12 to 30 years, depending on the total amount of my loan. Payments must be at least $50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of the payments may need to be adjusted to reflect changes in the variable interest rate.
- ***Graduated Repayment Plan***—If I choose this plan, my payments will be lower at first and will increase every two years. I will repay my loan within 12 to 30 years, depending on the total amount of the loan. Payments must cover interest charges and can never be less than 50 percent or more than 150 percent of the amount that would be paid under the Standard Repayment Plan. The number or amount of the payments may need to be adjusted to reflect changes in the variable interest rate.

If I do not choose one of the plans, ED will choose a plan for me in accordance with ED's regulations. However, if I demonstrate to ED's satisfaction that the terms and conditions of the three repayment plans are not adequate to accommodate my exceptional circumstances, ED may provide an alternative repayment plan.

I understand that there will be no penalty for prepaying any portion of my loan.

All payments and prepayments are applied in the following order: charges and collection costs first, outstanding interest second, and outstanding principal last.

A Direct Consolidation Loan Program is available under which I (or my spouse and I jointly) may consolidate one or more federal education loans into one loan. I can apply for a Direct Consolidation Loan through the Direct Loan Servicing Center. If my Direct Consolidation Loan is approved, ED will send me a single repayment schedule that details my scheduled payment amounts and due dates. My repayment schedule will require only a single monthly payment.

If I fail to make any part of an installment payment within 30 days after it becomes due, I may owe a late charge. This charge may not exceed six cents for each dollar of each late installment.

9. Misuse of Loan Money. Misusing money from my Direct PLUS Loan is grounds for ED to accelerate loan repayment, making the entire unpaid balance immediately due and payable. This may happen if—

- the student for whom the loan is borrowed fails to enroll at least half-time at the school specified on the loan application
- the loan money is used for expenses unrelated to the student's education
- I make a false statement on my loan application that results in my receiving a loan for which I am not eligible
- I default on the loan

10. Consequences of Default. Default (failing to repay my Direct PLUS Loan) is defined in the disclosure of terms in my promissory note. If I default, the entire unpaid balance and collection fees will become due and payable immediately. Failure to repay this or any federal student loan may result in any or all of the following:

- loss of my federal income tax refunds
- legal action against me
- collection charges (including attorney fees) being assessed against me
- loss of my eligibility for other federal student aid
- loss of my eligibility for loan deferments
- negative credit reports to credit bureaus
- my employer withholding part of my wages and giving them to ED (wage garnishment)

11. Credit Bureau Notification. Information concerning the amount, disbursement, and repayment status (current or delinquent) of loans will be reported to one or more national credit bureau organizations. If I default on my loan this will also be reported to national credit bureaus. I will be notified at least 30 days in advance that default information is to be disclosed to a credit bureau unless I enter repayment on the loan within 30 days. I will be given a chance to ask for a review of the debt before it is reported. ED must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of any information ED has reported.

12. Discharge. My loan will be discharged if documentation of my death or the death of the student for whom this loan is borrowed is submitted to the Direct Loan Servicing Center or if I am eligible under the regulations governing a discharge due to a permanent and total disability. To apply for a loan discharge due to permanent and total disability, I must submit a discharge application to the Direct Loan Servicing Center. The application documentation must be certified by a doctor. ED will not approve a request for cancellation for permanent and total disability for a condition that existed before I applied for this loan unless a doctor certifies that the condition substantially deteriorated after the loan was made.

All or a portion of my loan debt may be cancelled if the student for whom I borrowed the loan is unable to complete a course of study because the school closes or because the school falsely certified the student's eligibility for a Direct PLUS Loan. ED does not vouch for the quality or suitability of academic programs offered by schools participating in any federal student financial aid program. Repaying loans is not conditional on the performance of the school the student attends, or on the student obtaining employment in his or her field of study.

In addition, I may assert, in certain proceedings before ED, that I have a defense against repayment of a Direct Loan. ED may recognize as a defense against repayment an act or omission by the school that I am attending that would give rise to a legal cause of action against the school under applicable State law as long as that act or omission directly relates to this loan or to the school's provision of educational services for which this loan is provided.

My loan debt will not automatically be discharged in bankruptcy.

13. Deferment. Under certain circumstances, I am entitled to postpone repayment if I provide the Direct Loan Servicing Center with a written request for a deferment and evidence that verifies my eligibility for the deferment. Upon request, the Direct Loan Servicing Center will provide me with a deferment application that explains eligibility requirements. If I am in default on my Direct PLUS Loan, I am not eligible for a deferment.

The maximum periods authorized for deferment on Direct PLUS Loans are determined by the Act. Deferments are available in the following situations:

- while I am enrolled at least half-time at an eligible school
- while I am engaged in a full-time course study in a graduate fellowship program
- while I am engaged in a full-time rehabilitation training program for individuals with disabilities
- while I am conscientiously seeking, but unable to find, full-time employment (for up to three years)
- while I am experiencing an economic hardship as defined by federal law (for up to three years)

If at the time I applied for this loan I have an outstanding balance on a Federal Family Education Loan (FFEL) Program loan (formerly known as a GSL) that was made prior to July 1, 1993, additional deferments may be available. These include deferments while I am:

- temporarily totally disabled (for up to three years)
- unable to secure employment because I am required to care for a spouse or dependent who is disabled (for up to three years)

I may also be eligible for deferments while the student for whom I borrowed a PLUS loan is dependent and:

- enrolled at least half-time and has received a Direct Loan or FFEL Program loan for that period of enrollment
- engaged in a full-time graduate fellowship program
- engaged in a full-time rehabilitation program for individuals with disabilities

The Direct Loan Servicing Center can provide additional information about deferment eligibility.

14. Forbearance. If I am unable to make my scheduled loan payments, ED may allow me to reduce my payment amount, to extend the time for making payment, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance.

If I am willing, but financially unable, to make payments under my repayment schedule, forbearance may be granted for circumstances such as:

- financial hardship
- illness
- service in a medical or dental internship or residency program, if I meet specific criteria
- periods of time when my monthly debt burden for all federal Title IV student loans equals or exceeds 20 percent of my total monthly gross income

ED may grant me forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments.

I may contact the Direct Loan Servicing Center for information on how to apply and qualify for forbearance.

Appendix B

Direct PLUS Loan Endorser Application

Direct Loans

William D. Ford Federal Direct Loan Program
U.S. Department of Education

OMB No. 1840-0679
Form Approved
Exp Date 12/31/99

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097

Addendum to Federal Direct PLUS Loan Promissory Note
ENDORSER

Section A To Be Completed By Endorser

1. Name (last, first, middle initial) and Permanent Address (street, city, state, zip code)

2. Social Security Number

3. Date of Birth

4. Permanent Area Code/Telephone Number ( )

5. Driver's License Number (List state abbreviation first.)

6. U.S. Citizenship Status (check one)

Alien registration number

1 ☐ U.S. citizen or national
2 ☐ Permanent resident or other eligible alien
3 ☐ Neither 1 nor 2

7. **References:** You must list two persons with different U.S. addresses who have known you for at least three years.

	1.	2.
Name		
Permanent Address		
City, State, Zip Code		
Area Code/Telephone Number	( )	( )

8. Employer's Name

9. How many years with this employer?

10. Employer's Address

11. Employer's Area Code and Telephone Number ( )

Section B Parent Borrower Information (To Be Completed By The Loan Origination Center)

12. Name (last, first, middle initial)

13. Date of Birth

14. Social Security Number

15. Permanent Home Address (street, city, state, zip code)

16. Permanent Home Area Code/Telephone Number ( )

17. PLUS Loan Amount

Section C: Student (for whom PLUS Loan is sought) Information (To Be Completed By The Loan Origination Center)

18. Student's Name

19. Student's Social Security Number

Endorser's Certification

In the event that the Borrower identified in Section B does not repay the loan, I promise to pay the U.S. Department of Education all sums (hereafter "loan" or "loans") disbursed under this Addendum to the Federal Direct PLUS Loan (Direct PLUS Loan) Promissory Note (Addendum) plus interest and other fees which may become due, as provided in this Addendum. If I fail to make payments on this Addendum when due, I will also pay collection costs including attorney's fees and court costs.

I understand that this is an Addendum to the Direct PLUS Loan Promissory Note. **I will not sign this Addendum before reading it, even if I am advised not to read this Addendum.** I am entitled to a copy of this Addendum and a Statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree to the terms and conditions of this Addendum.

Under penalty of perjury, I certify that the information contained on this Addendum is true and accurate. I authorize the Secretary of the U.S. Department of Education to investigate my credit record and report information concerning my credit to the proper persons and organizations.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

20. Identification Number(s)

21. Signature of Endorser Date

NOTE TO ENDORSER

This is a copy of the Federal Direct PLUS Loan (Direct PLUS Loan) Promissory Note signed by the Borrower of the Direct PLUS Loan and certified by the Student for whom the Direct PLUS Loan is sought.

By signing this Addendum to the Direct PLUS Loan Promissory Note, the Endorser agrees to abide by the terms and conditions of the Promissory Note relating to repayment in the event the Borrower does not repay the loan identified by the Promissory Note.

DISCLOSURE OF TERMS

This Promissory Note applies to Direct PLUS Loans. In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, et seq., and applicable U.S. Department of Education (ED) regulations are referred to as "the Act." The terms of this note will be interpreted in accordance with the Act and other applicable federal statutes.

I agree to pay interest on the principal amount of the loan from the date of disbursement, until the loan is paid in full. If I fail to make the required interest payment when due, I agree that ED may add the accrued interest to the unpaid balance of the loan. This is called capitalization.

INTEREST RATE

The interest rate on this loan during any 12-month period beginning on July 1 and ending on June 30, is determined on the preceding June 1 and is equal to the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to such June 1; plus 3.1 percentage points, but shall not exceed 9 percent.

If this note is signed before July 1, with an anticipated disbursement date that is after July 1, the variable interest rate on this promissory note is determined on the preceding June 1 and is equal to the bond equivalent rate of 52-week Treasury bills auctioned at the final auction held prior to that June 1.

For Direct PLUS Loans made on or after July 1, 1998, the applicable rate of interest for any 12-month period beginning on July 1 and ending on June 30, will be determined on the preceding June 1 and will be equal to the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus 2.1 percentage points. However, the rate will not exceed 9.0 percent.

I will receive a statement of the actual interest rate after the first disbursement of the loan. If, after reviewing the actual interest rate, I decide to decline this loan, I am entitled to a refund of all loan origination costs if I pay back the principal on this note in full to ED within 120 days of disbursement.

REPAYMENT

I am obligated to repay the full amount of the loan and accrued interest. Unless I have received a deferment or forbearance, the repayment period for a Direct PLUS Loan will begin on the date that the loan is fully disbursed. The first payment is due within sixty days of that date.

There are three repayment options: (1) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time; (2) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, except that I shall annually repay a minimum amount that will be determined by ED; and (3) a graduated repayment plan, with annual repayment amounts established at two or more graduated levels and paid over a fixed or extended period of time, except that my scheduled payments must cover interest charges and shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan. ED will provide me with an opportunity to select a repayment plan. If I do not select a plan, ED will provide me with a repayment plan.

ED will issue a repayment schedule that provides a schedule of payment amounts and due dates. My repayment schedule will include all of my Direct PLUS Loans. ED may grant me forbearance to eliminate a delinquency that persists, even though I am making scheduled payments.

I may prepay all or any part of the unpaid balance on the loans at anytime without a penalty. All payments are applied in the following order: charges and collection costs first, outstanding interest second, and outstanding principal last.

LATE CHARGES AND COLLECTION COSTS

If I fail to make an installment payment when it becomes due, ED may collect a late charge. If I default on a loan, I will pay reasonable costs plus court costs, collection fees, and attorney's fees.

ACCELERATION AND DEFAULT

At the option of ED, the entire unpaid balance will become immediately due and payable upon the occurrence of any one of the following events: (a) the student who is the subject of this Direct PLUS Loan fails to enroll as at least a half-time student at the school that certified the loan application; (b) the proceeds of the loan are used for expenses that are unrelated to education; (c) I, the borrower, make a false representation that results in my receiving a loan for which I am ineligible; or (d) I default on the loan.

I will default on this loan if I fail to make an installment payment when it is due, or to meet the other terms of this promissory note. The following events will constitute a default on the loan: (a) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; (b) I fail to make installment payments when due or to comply with the other terms of this note, and ED reasonably concludes that I no longer intend to honor the repayment obligation, provided the failure has persisted for at least 180 days. If I default, ED will capitalize all outstanding interest into a new principal balance.

If I default on this loan, the default will be reported to national credit bureaus. I understand that the resulting credit report will have a negative effect on my credit rating. If I default on this loan, my federal income tax refund may be withheld to pay the debt, my wages may be garnished or offset, and legal action may be brought against me to enforce the terms of this note. I will be ineligible for additional federal student financial aid and for assistance under most federal benefit programs.

Any notice that is required to be given to me will be effective when mailed by first class mail to the latest address that ED has for me. I will immediately notify ED of any change of my address or status as specified in the Statement of Borrower's Rights and Responsibilities. Failure to enforce, or insisting on compliance with any term of this note shall not be a waiver of any right of ED. The provisions of this note can only be waived or modified, in writing, by ED. If any provision of this note is deemed to be unenforceable, the invalidity of that provision will not invalidate this promissory note.

Student Certification from the Federal Direct Plus Loan Application and Promissory Note

I declare under penalty of perjury that the following is true and correct: (1) I certify that the information contained in the Student Section (Section B) of this document is true, complete and correct to the best of my knowledge and belief and is made in good faith. (2) I certify that the borrower named in the Borrower Section of this document is my natural or adoptive parent or my legal guardian. (3) I authorize the release of information pertinent to this loan (i) by the school, ED, or their agents, to members of my immediate family unless I submit written direction otherwise; and (ii) by and amongst my schools, ED, and their agents. (4) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant, and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans) or the Federal Family Education Loan Program (FFEL), or the Direct Loan Program, or, if I am in default, I have made payment arrangements that are satisfactory to ED. (5) So that the loan(s) requested can be approved, I authorize ED to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to state agencies and nonprofit organizations that administer financial aid programs under the Direct Loan Program. (6) I authorize my schools and ED to verify my social security number with the Social Security Administration (SSA) and, if the number is incorrect, then I authorize SSA to disclose my correct social security number to these parties.

Direct Loans

Addendum to Federal Direct PLUS Loan Promissory Note Instructions Endorser

OMB No. 1840-0679
Form Approved
Exp. Date 12/31/99

Under the Federal Direct PLUS Loan (Direct PLUS Loan) Program, parents may borrow federal funds to pay the costs of a dependent child who is an undergraduate student. If the parent borrower has an adverse credit history, the parent may receive a loan only if the parent can obtain an Endorser. The Endorser must complete this Addendum to the Direct PLUS Loan Promissory Note and promise to repay the loan if the parent does not. The Addendum should be legibly prepared in blue or black ink or typewritten and must be signed by the Endorser.

Information in Section B and Section C about the Parent Borrower and the Student has been provided by the school certifying the Direct PLUS Loan. If any information provided in the Addendum is incorrect, you should immediately contact the Loan Orgination Center at 1-800-557-7394.

Section A: To Be Completed By Endorser

Items 1 through 11. Section A should be completed by the **Endorser.** All references to "you" in this section mean the Endorser.

Items 1-4: Enter the information requested.

Item 5. Enter the abbreviation of the state that issued your current driver's license, followed by the driver's license number. If you do not have a current driver's license, enter the letters "N/A."

Item 6. Place a check in the box that corresponds with your citizenship status. Enter the Alien Registration Number, if appropriate.

The term **"U.S. citizen or national"** includes citizens of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and the Northern Mariana Islands.

A **"permanent resident"** of the United States must provide documentation of this status from the U. S. Immigration and Naturalization Service.

An **"eligible noncitizen"** is an individual who can provide documentation from the U.S. Immigration and Naturalization Service that he or she is in the United States for a purpose that is not temporary, with the intention of becoming a citizen or permanent resident. This category includes refugees, persons granted asylum, Cuban-Haitian entrants, temporary residents under the Immigration Reform and Control Act of 1986, and others.

Item 7. Enter the requested reference information for two adults who do not share a common address. References must have addresses within the United States.

Item 8. Enter the name of your current employer.

Item 9. Enter the number of years that you have been employed by the employer you reported in Item 8.

Item 10. Enter the address of the employer that you reported in Item 8.

Item 11. Enter the area code and telephone number of the employer that you reported in Item 8.

Endorser: You have completed the Endorser's portion of this Addendum to the Direct PLUS Loan Promissory Note. Go to question 21, read the Endorser's Certification carefully, and sign and date this Addendum. The Parent Borrower Information and Student Information sections have been completed by the school or the Loan Origination Center.

Section B: Parent Borrower Information

Items 12 through 17 and Item 20 have been completed by the school or the Loan Origination Center.

Section C: Student Information

Items 18 and 19 have been completed by the school or the Loan Origination Center.

Important Notices

Privacy Act Disclosure Notice

The Privacy Act of 1974 (5x U.S.C.552a) requires that we disclose to you the following information:

The authority for collecting this information is §451 et seq. of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. 1087a et seq.). The principal purposes for collecting this information are to process your Addendum to Federal Direct PLUS Loan Promissory Note Endorser that is made under the William D. Ford Federal Direct Loan (Direct Loan) Program, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan.

We ask that you provide the information requested on this Addendum to Federal Direct PLUS Loan Promissory Note Endorser (promissory note) on a voluntary basis. However, you must provide all of the requested information that is available to you so the Department may determine your Direct Loan Program eligibility and process your promissory note.

The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59, p. 65532). Thus, this information may be disclosed to parties that we authorize to assist us in administering the Federal student aid programs, including contractors that are required to maintain safeguards under the Privacy Act. Disclosures may also be made for verification of information, determination of eligibility, enforcement of conditions of the loan or grant, debt collection, and the prevention of fraud, waste, and abuse and these disclosures may be made through computer matching programs with other Federal agencies. Disclosures may be made to determine the feasibility of entering into computer matching agreements. We may send information to members of Congress if you ask them in writing to help you with Federal student aid questions. If we are involved in litigation, we may send information to the Department of Justice (DOJ), a court, adjudicative body, counsel, or witness if the disclosure is related to financial aid and certain other conditions are met. If this information either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for consideration of action and we may disclose to DOJ to get its advice related to the Title IV, HEA programs or questions under the Freedom of Information Act. Disclosures may be made to qualified researchers under Privacy Act safeguards. In some circumstances involving employment decisions, grievances or complaints, or involving decisions regarding the letting of a contract or making of a grant, license, or other benefit, we may send information to an appropriate authority. In limited circumstances, we may disclose to a Federal labor organization recognized under 5 U.S.C. Chapter 71.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that the data may be recorded accurately.

Financial Privacy Act Notice

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

Paperwork Reduction

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1840-0679. The time required to complete this information collection is estimated to average 0.5 hours (30 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to:**

School Relations
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, Alabama 36103-5692

Appendix C

Direct Stafford/Ford Loan Promissory Note and Disclosure

Direct Loans

William D. Ford Federal Direct Loan Program

U.S. Department of Education

OMB No. 1840-0667
Form Approved
Exp. Date 12/31/99

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan
Promissory Note and Disclosure

Section A: To Be Completed By The Borrower

1. Name (last, first, middle initial) and Address (street, city, state, zip code)

2. Social Security Number

3. Date of Birth

4. Area Code/Telephone Number

5. Driver's License Number (List state abbreviation first.)

6. **References**: You must list two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

Name	1. ______	2. ______
Permanent Address	______	______
City, State, Zip Code	______	______
Area Code/Telephone Number	( ) ______	( ) ______

Section B: To Be Completed By The School

7. School Name

8. Loan Period Approved From MM/DD/YY To MM/DD/YY

9. School Address (street, city, state, zip code)

10. School Code/Branch

The chart below shows anticipated disbursement amounts and dates. Actual amounts and dates may vary. The interest rate for this note is variable.

	Anticipated Disbursement Dates	Loan Amount Approved	Loan Fee Rate	Loan Fee Amount	Net Disbursement Amount
Direct Subsidized Loan					
	Total				
Direct Unsubsidized Loan					
	Total				

I promise to pay the U.S. Department of Education all sums (hereafter "loan" or "loans") disbursed under this Promissory Note plus interest and other fees which may become due, as provided in this Promissory Note. If I fail to make payments on this Promissory Note when due, I will also pay collection costs including attorney's fees and court costs. I understand that I may cancel or reduce the size of my loan by refusing any disbursement that is issued to me. I certify that the total amount of loan that I receive under this Promissory Note will not exceed the allowable annual maximum or cumulative maximum under the Higher Education Act of 1965, as amended.

I understand that this is a Promissory Note. I will not sign this Promissory Note before reading it, even if I am advised not to read this Promissory Note. I am entitled to an exact copy of this Promissory Note and a Statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand and agree to the terms and conditions of this Promissory Note. My signature on this Promissory Note will serve as my authorization for my loan proceeds to be credited to my student account by the school identified in Section B.

11. Identification Number(s)

Under penalty of perjury, I certify that the information contained in the Borrower Section of this Promissory Note is true and accurate. The proceeds of this loan will be used for authorized educational expenses at the certifying school for the specified loan period. I certify that I do not owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including National Defense Student Loans) or the Federal Family Education Loan Program, or Direct Loan Program, or if I am in default, I have made repayment arrangements that are satisfactory to the Secretary of the Department of Education.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

____
12. Signature of Borrower   Date

Promissory Note and Disclosure (continued)

INSTRUCTIONS

Section A: To Be Completed By Borrower

Section A must be completed by the **student** who is applying to be a borrower of a Federal Direct Stafford/Ford Loan (Direct Subsidized Loan) and/or a Federal Direct Unsubsidized Stafford/Ford Loan (Direct Unsubsidized Loan). Items 1 through 5 may have been pre-printed on the Promissory Note by the school certifying your loan, if you provided this information on your Free Application for Federal Student Aid (FAFSA). You should review all the questions and responses, and enter information for any items that are not pre-printed, so that your loan may be certified.

All references to "you" mean the student borrower.

Items 1-4: Enter the information requested.

Item 5: Enter the two-letter abbreviation for the state that issued your current driver's license followed by the driver's license number. If you do not have a current driver's license, enter the letters "N/A."

Item 6: Enter the requested reference information for two adults who do not share a common address. The first reference should be a parent or legal guardian. References with addresses outside the United States are not acceptable.

Student Borrower: You have completed the information section on the Promissory Note. Go to Item 12, read the certification statement carefully, and sign and date this Promissory Note and Disclosure.

Item 12: After reviewing the terms of the Promissory Note, you the student must sign your full legal name, in black or blue ink, and enter the date you signed this Promissory Note and Disclosure.

Section B: (Items 7 through 11) To Be Completed By The School

This section must be completed by the school. Only a Financial Aid Administrator or another authorized school official is permitted to complete this section. Improperly certified information can create a financial liability for the school.

Be sure you receive and read the Statement of Borrower's Rights and Responsibilities. It contains important additional information about your loan and repayment obligations.

DISCLOSURE OF TERMS

This Promissory Note applies to Federal Direct Stafford/Ford Loans (Direct Subsidized Loans) and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans). In this note, the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, et seq., and applicable U.S. Department of Education (ED) regulations, are referred to as "the Act." The terms of this note will be interpreted in accordance with the Act and other applicable federal statutes.

With the exception of interest charged that the federal government will pay on the borrower's behalf for a Direct Subsidized Loan, I agree to pay interest on the principal amount of the loan from the date of disbursement, until the loan is paid in full.

If I fail to make the required interest payment when due, I agree that ED may add the accrued interest to the unpaid balance of the loan. This is called capitalization.

INTEREST RATE

For Direct Subsidized Loans and Direct Unsubsidized Loans in repayment, the interest rate during any twelve-month period beginning on July 1 and ending on June 30 is determined on the June 1 immediately preceding that period. The interest rate is equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to that June 1 plus 3.1 percentage points, but does not exceed 8.25 percent.

For Direct Subsidized Loans and Direct Unsubsidized Loans prior to the beginning of the repayment period or during the period of deferment, the interest rate during any twelve-month period beginning on July 1 and ending on June 30, is determined on the June 1 immediately preceding that period. The interest rate is equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to that June 1; plus 2.5 percentage points, but does not exceed 8.25 percent.

If this note is signed before July 1, with an anticipated disbursement date that is after July 1, the variable interest rate on this Promissory Note is determined on the preceding June 1 and is equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to that June 1.

For Direct Subsidized Loans and Direct Unsubsidized Loans made on or after July 1, 1998, the applicable rate of interest for any 12-month period beginning on July 1 and ending on June 30, will be determined on the preceding June 1 and will be equal to the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus 1.0 percentage points. However, the rate will not exceed 8.25 percent.

I will receive a statement of the actual interest rate after the first disbursement of the loan. If, after reviewing the actual interest rate, I decide to decline this loan, I am entitled to a refund of all loan origination costs if I pay back the principal on this note in full to ED within 120 days of disbursement.

LOAN FEE

The loan fee charged for each Direct Subsidized Loan and Direct Unsubsidized Loan is 4% of the amount borrowed. The loan fee is deducted proportionally from each loan disbursement.

LATE CHARGE

A late charge may be assessed if I fail to pay all or a portion of a required installment payment when due.

REPAYMENT

The repayment period for my loan begins the day after my six month grace period ends. My grace period lasts for 6 months after I cease to be enrolled on at least a half time basis. My first payment will be due within 60 days after my grace period ends. The Direct Loan Servicing Center will notify me of the date my first payment is due.

There will be no penalty for prepaying any portion of my loan. All payments are applied in the following order: charges and collection costs first, outstanding interest second, and outstanding principal last.

ACCELERATION AND DEFAULT

At the option of ED, the entire unpaid balance will become immediately due and payable upon the occurrence of any one of the following events: (a) I fail to enroll as at least a halftime student at the school that certified the loan; (b) I fail to use the proceeds of the loan solely for educational expenses; (c) I make a false representation that results in my receiving a loan for which I am ineligible; or (d) I default on the loan.

Information concerning the loan including the date of disbursement, the amount of the loan, and the repayment status of the loan will be reported to national credit bureaus. The following events will constitute a default on the loan: (a) I fail to pay the entire unpaid balance after ED has exercised its option under the preceding paragraph; or (b) I fail to make installment payments when due or to comply with the other terms of this note; and ED reasonably concludes that I no longer intend to honor the repayment obligation, provided the failure persists for at least 180 days. If I default, ED will capitalize all the outstanding interest into a new principal balance.

If I default on this loan, the default will be reported to national credit bureaus. I understand that the resulting credit report will have a significant negative effect on my credit rating. If I default on this loan, my federal income tax refund may be withheld to pay the debt, my wages may be garnished or offset, and legal action may be brought against me to enforce the terms of this note. I will be ineligible for additional federal student financial aid and for assistance under most federal benefit programs.

Any notice that is required to be given to me will be effective when mailed by first class mail, to the latest address ED has for me. I will immediately notify ED of a change of address or status as specified in the Statement of Borrower's Rights and Responsibilities. Failure to enforce, or insisting on compliance with any term of this note shall not be a waiver of any right of ED. The provisions of this note can only be waived or modified, in writing, by ED. If any provision of this note is deemed to be unenforceable, the invalidity of that provision will not invalidate this Promissory Note.

Important Notices

Privacy Act Disclosure Notice. The Privacy Act of 1974 (5x U.S.C 552a) requires that we disclose to you the following information:

The authority for collecting this information is §451 et seq. of the Higher Education Act of 1965, as amended (the HEA) (20 U.S.C. 1087a et seq.). The principal purposes for collecting this information are to process your Federal Direct/Stafford/Ford Loan and/or Federal Direct Unsubsidized Stafford/Ford Loan that is made under the William D. Ford Federal Direct Loan (Direct Loan) Program, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan.

We ask that you provide the information requested on this Federal Direct Stafford/Ford Loan and Federal Direct Unsubsidized Stafford/Ford Loan Promissory Note (promissory note) on a voluntary basis. However, you must provide all of the requested information that is available to you so the Department may determine your Direct Loan Program eligibility and process your promissory note.

The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59, p. 65532). Thus, this information may be disclosed to parties that we authorize to assist us in administering the Federal student aid programs, including contractors that are required to maintain safeguards under the Privacy Act. Disclosures may also be made for verification of information, determination of eligibility, enforcement of conditions of the loan or grant, debt collection, and the prevention of fraud, waste, and abuse and these disclosures may be made through computer matching programs with other Federal agencies. Disclosures may be made to determine the feasibility of entering into computer matching agreements. We may send information to members of Congress if you ask them in writing to help you with Federal student aid questions. If we are involved in litigation, we may send information to the Department of Justice (DOJ), a court, adjudicative body, counsel, or witness if the disclosure is related to financial aid and certain other conditions are met. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for consideration of action and we may disclose to DOJ to get its advice related to the Title IV, HEA programs or questions under the Freedom of Information Act. Disclosures may be made to qualified researchers under Privacy Act safeguards. In some circumstances involving employment decisions, grievances or complaints, or involving decisions regarding the letting of a contract or making of a grant, license, or other benefit, we may send information to an appropriate authority. In limited circumstances, we may disclose to a Federal labor organization recognized under 5 U.S.C. Chapter 71.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that the data may be recorded accurately.

Financial Privacy Act Notice. Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

Paperwork Reduction Notice. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1840-0667. The time required to complete this information collection is estimated to average 0.1666 hours (10 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4651. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to:**

School Relations
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, Alabama 36103-5692

Direct Loans

William D. Ford Federal Direct Loan Program
Federal Direct Stafford/Ford Loans and Federal Direct Unsubsidized Stafford/Ford Loans
Borrower's Rights and Responsibilities

The William D. Ford Federal Direct Loan (Direct Loan) Program includes the following Direct Loans:

- Federal Direct Stafford/Ford Loans (Direct Subsidized Loans)
- Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans)
- Federal Direct PLUS Loans (Direct PLUS Loans)
- Federal Direct Consolidation Loans (Direct Consolidation Loans)

The Direct Loan Program is authorized by Title IV, Part D, of the Higher Education Act of 1965, as amended (the Act).

A Direct Loan is made by the United States Government and is administered by the U.S. Department of Education (ED). ED's Direct Loan Servicing Center will manage, answer questions about, and collect my loan. I will be provided with the address and telephone number of the Direct Loan Servicing Center.

1. Maximum Loan Amounts. Under the Direct Loan Program, I may borrow up to—but no more than—the dollar amounts shown in the chart on this page ("Maximum Annual Loan Amounts"). I am subject to the limits on these loan amounts on the basis of the following:

- my academic level (freshman, sophomore, etc.)
- my status as a dependent student or independent student
- the length of the academic program in which I am enrolled
- the length of the reminder of my undergraduate program of study if it is less than one academic year

My financial aid advisor will determine my eligibility first for a Direct Subsidized Loan, and then for a Direct Unsubsidized Loan.

If I have received student loans from more than one federal student loan program, I am responsible for informing my school of my other federal student loans.

2. Loan Money. I must use the loan money I receive for the specific time period and authorized educational expenses specified by the school that certified the loan. Authorized expenses include the following:

- tuition
- room
- board
- institutional fees
- books
- supplies
- equipment
- dependent child care
- transportation
- commuting expenses
- loan fees
- other documented, authorized costs

Maximum Annual Loan Amounts — Federal Stafford Loan Program and William D. Ford Federal Direct Loan Program

Borrower's Academic Level	Dependent Student			Independent Student		
	Total Subsidized & Unsubsidized[1]	Base Amount Subsidized & Unsubsidized[1]		Additional Unsubsidized Only[2]		Total Amount[1]
First-Year Undergraduate Student						
• full academic year in length	$ 2,625	$ 2,625	+	$ 4,000	=	$ 6,625
• 2/3 to less than full academic year	$ 1,750	$ 1,750	+	$ 2,500	=	$ 4,250
• 1/3 to less than 2/3 full academic year	$ 875	$ 875	+	$ 1,500	=	$ 2,375
Second-Year Undergraduate Student						
• full academic year in length	$ 3,500	$ 3,500	+	$ 4,000	=	$ 7,500
• 2/3 to less than full academic year	prorated[3]	prorated[3]	+	$ 2,500	=	prorated[3]
• 1/3 to less than 2/3 full academic year	prorated[3]	prorated[3]	+	$ 1,500	=	prorated[3]
Third-Year and Beyond Undergraduate Student						
• one academic year	$ 5,500	$ 5,500	+	$ 5,000	=	$10,500
• less than a full year	prorated[3]	prorated[3]	+	prorated[3]	=	prorated[3]
Graduate/Professional Student	N/A	$ 8,500	+	$10,000	=	$18,500

Total Outstanding Debt:		
	Dependent Undergraduate:	$ 23,000
	Independent Undergraduate:	$ 46,000
	Graduate/Professional Student:	$138,500

($65,500 subsidized, $73,000 unsubsidized [old SLS limit]; includes any loans received as an undergraduate)

[1] *"Subsidized" and "Unsubsidized" refer to Federal Stafford Loans, Federal Direct Stafford/Ford Loans, and Federal Direct Unsubsidized Stafford/Ford Loans.*

[2] *Dependent undergraduates can also receive these additional loan amounts if the financial aid administrator determines it is unlikely the student's parents will be able to borrow a Federal PLUS Loan or Federal Direct PLUS Loan on the student's behalf, and the parents cannot otherwise provide the student's Expected Family Contribution. The aid administrator makes this decision after reviewing the family financial information the student provided and considering the student's debt burden. The aid administrator must document in the student's file the exceptional circumstances that would prevent the parents from borrowing a PLUS—for example, the student's parent receives only public assistance or disability benefits, is incarcerated, has an adverse credit history, or his or her whereabouts are unknown. A parent's refusal to borrow a PLUS Loan does not constitute an exceptional circumstance.*

[3] *The maximum loan amount is prorated when the remaining portion of the student's program is less than a full academic year. The prorated amount is determined by what portion of the academic year remains (in terms of semester, trimester, quarter, or clock hours).*

The loan money will be disbursed in multiple installments based on the academic terms at my school. If my school does not have academic terms, disbursements will be made at least twice, once at the beginning and once at the midpoint of my enrollment period.

Loan funds may be credited to my account at my school or disbursed by a check or other means made payable to me. The Direct Loan Servicing Center will notify me in writing of each loan disbursement reported by the school.

If this is my first student loan under either the Direct Loan Program or the Federal Family Education Loan (FFEL) Program, I must receive entrance counseling before the first disbursement of my Direct Subsidized or Direct Unsubsidized Loan can be made.

3. Change of Status. I must notify my school's financial aid office and the Direct Loan Servicing Center of certain changes.

While I am enrolled, ***I must notify my school's financial aid office if any of the following events takes place:***

- I reduce my enrollment status to less than half-time
- I withdraw from school
- I stop attending classes
- I fail to enroll for any term
- I have a change in my expected graduation date
- I change my name, local address, or permanent address

Shortly before my enrollment ends, I must participate in exit counseling with my school, during which I will update my loan records about my address, telephone number, future employer, and repayment plan.

Under federal law, ***I must notify the Direct Loan Servicing Center, in writing, if any of the following events occur*** before my loan is repaid:

- I change my address
- I change my name (for example, maiden name to married name)
- I change my employer or my employer's address or telephone number changes; or

- I have any other change in status that would affect my loan (for example, the loss of eligibility for an unemployment deferment by obtaining a job)

If I received *any* federal student loans for attendance at *any* school, I must stay in contact with the lenders or servicers of those loans, even while I am enrolled at another school, and give them up-to-date information. Federal student loans include Direct Subsidized and Unsubsidized Loans, Federal Stafford Loans, SLS Loans, and Perkins Loans.

4. Cost of Borrowing. All of my loans must be repaid. I will be charged a fee for my loan, which is 4 percent of the loan principal. This amount will be deducted proportionately from each disbursement. Before accepting any loan, it is to my benefit to determine first whether I am eligible for grants, work-study funds, and other forms of private and federal student financial aid that do not require repayment.

With this in mind, federal law requires that before I receive a Direct Loan, it must be determined whether I am eligible to receive a Pell Grant (which is not repaid). Also, because an unsubsidized loan is more expensive to borrow than a subsidized loan, my school must determine whether I am eligible for a Direct Subsidized Loan before I receive a Direct Unsubsidized Loan.

5. Interest Rates. If I receive a Direct Subsidized Loan, the federal government will not charge me (will subsidize) interest while I am in school at least half-time, during the grace period when I leave school, or during any period of deferment. For all other periods and for Direct Unsubsidized Loans, it is my responsibility to pay interest on my loan.

For Direct Subsidized Loans and Direct Unsubsidized Loans **in repayment** the interest rate will be a variable rate, adjusted once a year on July 1, and will not exceed 8.25 percent. The variable rate for each 12-month period will be equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held before the preceding June 1, plus 3.1 percentage points.

For Direct Subsidized Loans and Direct Unsubsidized Loans **prior to the beginning of the repayment period or during the period of deferment** the interest rate will be a variable rate, adjusted once a year on July 1, and will not exceed 8.25 percent. The variable rate for each 12-month period will be equal to the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held before the preceding June 1, plus 2.5 percentage points.

For Direct Subsidized Loans and Direct Unsubsidized Loans made on or after July 1, 1998, the applicable rate of interest for any 12-month period beginning on July 1 and ending on June 30, will be determined on the preceding June 1 and will be equal to the bond equivalent rate of the security with a comparable maturity as established by the Secretary; plus 1.0 percentage points. However, the rate will not exceed 8.25 percent.

If I sign my Promissory Note before July 1, and I have an anticipated disbursement date that is after July 1, my interest rate may change after July 1. I will receive a statement of the actual interest rate from the Direct Loan Servicing Center after the first disbursement of my loan.

6. Interest Charges. ED will not charge interest on my Direct Subsidized Loan during authorized deferment periods. ED will charge interest on my Direct Unsubsidized Loan during authorized deferment periods. (See paragraph 13 entitled "Deferment.")

ED will charge interest on subsidized and unsubsidized loans during a forbearance period. (See paragraph 14 entitled "Forbearance.")

I must pay any interest charged during an authorized period of deferment or forbearance or capitalize the accruing interest by having it added to the loan principal. If I choose to capitalize accrued interest, the total cost of my loan will increase.

7. Loan Cancellation. If my school credits my loan to my student account, I may cancel all or a portion of my loan by informing my school within 14 days after the date my school sends me a disbursement notice, or by the first day of the payment period, whichever is later. (Your school can tell you the first day of your payment period). If I cancel all or a portion of my loan as provided for in this paragraph, my school must return to ED all or a portion of the loan proceeds credited to my student account and the loan fee will be reduced or eliminated, in proportion to the amount of the disbursement returned.

At any time within 120 days of disbursement, I may pay back all or a portion of my loan. The loan fee will be reduced or eliminated in proportion to the amount of the disbursement returned.

8. Grace Period. My Direct Subsidized or Unsubsidized Loan will receive a 6-month grace period before the first payment on my loan must be made. The grace period begins the day after I cease to be enrolled at least half time at an eligible school.

9. Consequences of Default. Default (failing to repay my Direct Subsidized or Direct Unsubsidized Loan) is defined in detail in the disclosure of terms in my promissory note. If I default, the entire unpaid balance and collection fees will become due and payable immediately. Failure to repay this or any federal student loan may result in any or all of the following:

- loss of my federal income tax refunds
- legal action against me
- collection charges (including attorney fees) being assessed against me
- loss of my eligibility for other federal student aid
- loss of my eligibility for loan deferments
- negative credit reports to credit bureaus
- my employer withholding part of my wages to give them to ED (wage garnishment)

10. Credit Bureau Notification. Information concerning the amount, disbursement, and repayment status (current or delinquent) of loans will be reported to one or more national credit bureau organizations, on a regular basis. If I default on my loan, this will also be reported to national credit bureaus. I will be notified at least 30 days in advance that default information is to be disclosed to a credit bureau unless I enter repayment on the loan within 30 days. I will be given a chance to ask for a review of the debt before it is reported. ED must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of any information ED has reported.

11. Repayment. I will be given the opportunity to choose one of the following loan repayment plans.

NOTE: For the following repayment plans, the time limits shown do not include periods of deferment and forbearance.

- ***Standard Repayment Plan***—If I choose this plan, I will make fixed monthly payments and repay my loan in full within 10 years from the date the loan entered repayment. Payments must be at least $50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of the payments may need to be adjusted to reflect changes in the variable interest rate.

- ***Extended Repayment Plan***—If I choose this plan, I will make fixed monthly payments and repay my loan(s) in full within 12 to 30 years, depending on the total amount of my loan. Payments must be at least $50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of the payments may need to be adjusted to reflect changes in the variable interest rate.

- ***Graduated Repayment Plan***—If I choose this plan, my payments will be lower at first and will increase every two years. I will repay my loan(s) within 12 to 30 years, depending on the total amount of the loan(s). Payments must cover interest charges and can never be less than 50 percent or more than 150 percent of the amount I would have paid under the Standard Repayment Plan. The number or amount of the payments may need to be adjusted to reflect changes in the variable interest rate.

- ***Income Contingent Repayment Plan***—If I choose this plan, my monthly repayment amount is based on the total amount of my loan, my family size, and my Adjusted Gross Income (and that of my spouse if I am married). As my income changes, my repayment amount may change. If I have not repaid my loan after 25 years under this plan, the unpaid portion of the loan is forgiven. I may have to pay income tax on any amount forgiven.

These repayment plans will be explained in more detail during my exit counseling session. If I do not choose one of the plans, ED will choose a plan for me in accordance with ED's regulations. However, if I demonstrate to ED's satisfaction that the terms and conditions of the repayment plans are not adequate to accommodate my exceptional circumstances, ED may provide an alternative repayment plan.

The repayment period for my loan begins the day after my six month grace period ends. My first payment will be due within 60 days after my grace period ends. The Direct Loan Servicing Center will notify me of the date my first payment is due.

There will be no penalty for prepaying any portion of my loan.

All payments and prepayments are applied in the following order: charges and collection costs first, outstanding interest second, and outstanding principal last.

A Direct Consolidation Loan Program is available under which I (or my spouse and I jointly) may consolidate one or more federal education loans into one loan. I can apply for a Direct Consolidation Loan through the Direct Loan Servicing Center. If my Direct Consolidation Loan is approved, ED will send me a single repayment schedule that details my scheduled payment amounts and due dates. My repayment schedule will require only a single monthly payment.

If I fail to make any part of an installment payment within 30 days after it becomes due, I may owe a late charge. This charge may not exceed six cents for each dollar of each late installment.

12. Discharge. My loan will be discharged if documentation of my death is submitted to the Direct Loan Servicing Center or if I am eligible under the regulations governing a discharge due to a permanent and total disability. To apply for a loan discharge due to permanent and total disability, I must submit a discharge application to the Direct Loan Servicing Center. The application documentation must be certified by a doctor.

ED will not approve a request for discharge for permanent and total disability for a condition that existed before I applied for this loan unless a doctor certifies that the condition substantially deteriorated after the loan was made.

Under certain circumstances, all or a portion of my loan debt may be cancelled if I am/was unable to complete a course of study because my school closes/closed or my eligibility was falsely certified by my school.

ED does not vouch for the quality or suitability of academic programs offered by schools participating in any federal student financial aid program. Repaying loans is not conditional on the performance of the school I attend or on my obtaining employment in my field of study.

In addition, I may assert, in certain proceedings before ED, that I have a defense against repayment of a Direct Loan. ED may recognize as a defense against repayment an act or omission by the school that I am attending that would give rise to a legal cause of action against the school under applicable State law as long as that act or omission directly relates to this loan or to the school's provision of educational services for which this loan is provided.

My loan will not automatically be discharged in bankruptcy.

13. Deferment. Under certain circumstances I am entitled to postpone repayment if I provide the Direct Loan Servicing Center with a written request for a deferment and evidence that verifies my eligibility for the deferment. Upon request, the Direct Loan Servicing Center will provide me with a deferment application that explains the eligibility requirements. If I am in default on my loan(s), I am not eligible for a deferment.

Deferments are available in the following situations:

- while I am enrolled at least half-time at an eligible school
- while I am engaged in a full-time course of study in a graduate fellowship program
- while I am engaged in a full-time rehabilitation training program for individuals with disabilities
- while I am conscientiously seeking, but unable to find, full-time employment (for up to three years)
- while I am experiencing an economic hardship as determined by federal law (for up to three years)

If at the time I applied for this loan I have an outstanding balance on a FFEL Program loan (formerly known as a GSL) that was made prior to July 1, 1993, additional deferments may be available. These include deferments while I am:

- temporarily totally disabled (for up to three years)
- unable to secure employment because I am required to care for a spouse or dependent who is temporarily totally disabled (for up to three years)
- serving in the U.S. Armed Forces, the Commissioned Corps of the Public Health Service, the National Oceanic and Atmospheric Administration Corps, or the Peace Corps (for up to three years)
- serving as a full time paid volunteer for a tax-exempt organization or an ACTION program (for up to three years)
- in a medical internship or residency program (for up to two years)
- teaching in a designated teacher shortage area (for up to three years)
- on parental leave (for up to six months)
- a working mother entering or re-entering the workforce (for up to one year)

The Direct Loan Servicing Center can provide additional information about deferment eligibility.

14. Forbearance. If I am unable to make my scheduled loan payments, ED may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance.

If I am willing, but financially unable, to make payments under my repayment schedule, forbearance may be granted for circumstances such as:

- financial hardship
- illness
- service in a medical or dental internship or residency program, if I meet specific criteria
- service in a national service position for which I receive a national service education award under the National and Community Service Trust Act of 1993
- period of time when my monthly debt burden for all federal Title IV student loans equals or exceeds 20 percent of my total monthly gross income (for up to three years)

ED may grant me forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments.

I may contact the Direct Loan Servicing Center for information on how to apply and qualify for forbearance.

Appendix D

Account Statements

ACCOUNT NUMBER *999-99-9999-9* *Month DD, CCYY*

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

You requested a deferment (a postponement of principal payments) on your Direct Loan(s). We are pleased to tell you your request has been approved for the period beginning MM/DD/CCYY and ending MM/DD/CCYY. If you were past due on your account for periods prior to the beginning of this deferment, we have granted a forbearance (an extension of repayment) for those amounts.

During this period, you will not have to pay any principal on your loan. If you have a Direct Subsidized Loan or a Direct Subsidized Consolidation Loan, the federal government will pay the interest while you are in deferment. If you have a Direct Unsubsidized Loan, a Direct PLUS Loan, or a Direct Unsubsidized Consolidation Loan, interest will continue to accumulate. You will receive a bill for this interest each quarter, or portion of a quarter, you are in deferment. These bills will arrive approximately 25 days prior to the date on which the interest becomes due. You are *not* required to pay these quarterly interest bills. If you choose not to pay them, all unpaid interest will be capitalized (this means it will be added to your principal balance) when the deferment ends. If you do not pay the interest quarterly, your balance will be larger than it was before your deferment began.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

DEF0AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER *999-99-9999-9* *Month DD, CCYY*

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

You received a deferment (a postponement of repayment) on your Direct Loan. This notice is to inform you that the deferment is scheduled to expire on MM/DD/CCYY. If you are still in need of deferment, please contact us at the number on the back of this notice and we will be happy to send you another deferment request form.

If you are no longer in need of a deferment or do not qualify for an extension, your next scheduled payment is due MM/DD/CCYY. We will send you a bill for this payment.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

EXP2AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER 999-99-9999-9

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

Interest accumulating on your loan will be capitalized (added to the outstanding principal balance) periodically. Your new principal balance as of MM/DD/CCYY is $999.99. To date $99.99 has been capitalized.

As a result of this capitalization, your new repayment terms will be:

# of Payments	Payment Amount	Date Starting	*Total of Payments
999	99.99	MM/DD/CCYY	
9	9.99	MM/DD/CCYY	9999.99

If you are currently in a deferment and eligible to continue, we will mail you renewal forms about 60 days before your current deferment expires. If you are in a forbearance and continue to experience financial difficulties, please contact our office two (2) months prior to the end of your forbearance.

* Assumes all payments will be made on time.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

INT2AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER *999-99-9999-9*

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

Your recent payment exceeded the amount due and was applied to future installments. Your next installment is due on the date shown below.

Your outstanding balance is $999.99. You may completely pay off this loan by sending $999.99 (includes interest that will accumulate) by MM/DD/CCYY.

Please mail your payment to --

U. S. DEPARTMENT OF EDUCATION
DIRECT LOAN PAYMENT CENTER
P.O. BOX 746000
ATLANTA GA 30374-6000

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

PRP3AV01

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER 999-99-9999-9

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

We have changed our records to show that you left school or fell below half-time student status on MM/DD/CCYY. This information was reported to us by NAME OF SCHOOL. As a result, your repayment period began on MM/DD/CCYY. To prevent your account from being seriously delinquent we granted a forbearance of payments. We will capitalize (add to the principal balance) $99.99 of interest that accumulated.

If you wish to pay this interest instead, please write to us. Your new balance as of MM/DD/CCYY will be $999.99. Your payments are scheduled as follows:

# of Payments	Payment Amount	Date Starting	*Total of Payments
999	99.99	MM/DD/CCYY	
9	9.99	MM/DD/CCYY	9999.99

If you have been enrolled in school on at least a half-time basis after MM/DD/CCYY, complete the enclosed deferment form.

*Assumes all payments will be made on time.

Your interest rate information is shown on the back of this Notice.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

SPD3AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans
William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER 999-99-9999-9

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

This is a statement of your Direct Loan account from the U. S. Department of Education as of MM/DD/CCYY.

If you believe any of the information on this statement is not correct, please contact us at the Borrower Services number listed on the reverse side of this letter. If your loan has not yet entered repayment, the first/next installment date shown below may change.

If you have registered for classes ending after the "Expected/Actual Separation Date" shown, or if you are eligible for a deferment, please give us a call at the Borrower Services number listed on the reverse side of this letter.

Your interest rate information is shown on the back of this Notice.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

STA1AV03

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans
William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER *999-99-9999-9*

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

Our records show that you will be leaving school on the "Expected/Actual Separation Date" shown below. This date is significant because it determines when the grace period begins on your Direct Loan(s). (The "grace period" is a six-month period before you have to begin paying any principal or interest on your loan.)

If you are continuing your enrollment at the school you are currently attending and you will be enrolled at least half time in classes ending after this date, please ask your registrar's office to notify us of any change to your separation date.

If you are continuing your enrollment at a school other than the one you are currently attending and you will be enrolled at least half time in classes ending after this date, please call us at the number on the back of this notice to request an In-School deferment (postponement of payments) form. You will need to complete this form so you will not yet have to begin repaying your Direct Loan(s).

Your First/Next Installment date (payment due date) below may change.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

STA2AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER 999-99-9999-9 MM/DD/CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

ACCOUNT STATEMENT

Your Direct Loan has been set up on the xxxxxxxxxxxxxxx repayment plan. Payments are currently scheduled as follows (your actual due date may change):

# of Payments	Payment Amount	Date Starting	*Total of Payments	# of Payments	Payment Amount	Date Starting	*Total of Payments
999	999.99	MM/DD/CCYY		9	999.99	MMDD/CCYY	
9	999.99	MM/DD/CCYY		9	999.99	MMDD/CCYY	99999.99

* Assumes all payments will be made on time.

Your interest rate is variable and will change every July. Changes in interest rates may affect your payment amount and/or loan term. We will advise you of the rate change. Your monthly payment amount is $999.99. Your next payment due date for your loan is MM/DD/CCYY. The total amount due at that time will be $9,999.99, which is the sum of your monthly payment amount stated above plus any past due amounts you may owe.

Your interest rate information is shown on the back of this Notice.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

DSC1AV04

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans
William D. Ford Federal Direct Loan Program

DISCLOSURE OF PAYMENT AMOUNT

ACCOUNT NUMBER 999-99-9999-9 MM/DD/CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

ACCOUNT STATEMENT

REASON FOR STATEMENT

Under the Income Contingent Repayment (ICR) plan, we calculate your monthly payment amount when we receive updated annual income information. Your monthly payment amount for the Direct Loan(s) you are repaying under the ICR plan has been calculated and is shown below under "Monthly Payment." If you cannot pay your monthly amount, call us at 1-800-848-0979. THIS IS NOT A BILL. Your next due date is MM/DD/CCYY. Please call us if either income or family size information is incorrect, or if you have questions.

Annual Income	Family Size	Joint or Single Repayment	Income Data Source	Monthly Payment
$999999	XX	X	BBBBBBBB	$9999.99

ESTIMATED MONTHLY PAYMENT IF ON OTHER PLAN:

ICR Plan	Income Effective Date	*Standard*	*Extended*	*Graduated*	*ICRX/ICRX*
ICRX	MM/DD/CCYY	$9999.99	$9999.99	$9999.99	$9999.99/$9999.99

REPAYMENT PLAN CHANGES

We have included estimated monthly payment amounts for the same loan(s) under other repayment plans. Please remember, the smaller the monthly payment, the higher the cost of the loan over time. Actual amounts could vary from the estimates due to changes in income, interest accrual, and capitalization. To change plans, read the enclosed Repayment Plan Choices Information Sheet, and then complete the enclosed Repayment Plan Selection form and return it to the address on the reverse side of this Disclosure. To change between ICR plans, call us at 1-800-848-0979.

NEGATIVE AMORTIZATION

We will notify you if your payment does not cover interest accumulating monthly on your loan. You may pay the interest in excess of your payment, or we will add it annually to your principal. This increase in principal will increase the total cost of your loan.

THIS DISCLOSURE DOES NOT INCLUDE ANY DIRECT PLUS LOANS YOU MAY HAVE. FOR YOUR DIRECT CONSOLIDATION LOANS, THIS DISCLOSURE IS BASED ONLY ON TOTAL DEBT CONSOLIDATED BY THIS DATE. YOUR PAYMENT AMOUNT WILL BE RECALCULATED IF YOUR DEBT IS FULLY CONSOLIDATED AT A LATER DATE.

Your interest rate information is shown on the back of this Notice.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

DSC2AV04

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER 999-99-9999-9 MM/DD/CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

ACCOUNT STATEMENT

Your Direct Loan has been set up on the xxxxxxxxxxxxxxx repayment plan. Payments are currently scheduled as follows:

# of Payments	Payment Amount	*Date Starting	**Total of Payments
999	999.99	MM/DD/CCYY	
9	999.99	MM/DD/CCYY	99999.99

* Your actual due date may change. ** Assumes all payments will be made on time.

Your interest rate is variable and will change every July. Changes in interest rates may affect your payment amount and/or loan term. We will advise you of the rate change. Your monthly payment amount is $999.99. Your next payment due date for your loan is MM/DD/CCYY. The total amount due at that time will be $9,999.99, which is the sum of your monthly payment amount stated above plus any past due amounts you may owe.

If you are not in agreement with the terms of the repayment plan outlined in this Disclosure, please contact the Direct Loan Servicing Center at the toll-free number listed on the back.

Your interest rate information is shown on the back of this Notice.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	MM/DD/CCYY
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		MM/DD/CCYY
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	MM/DD/CCYY
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	MM/DD/CCYY
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH MM/DD	$ .00

Please refer to the back of this statement for important information.

DSC3AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans
William D. Ford Federal Direct Loan Program

ANNUAL INTEREST CAPITALIZATION DISCLOSURE
FOR NEGATIVELY AMORTIZED ACCOUNTS

ACCOUNT NUMBER 999-99-9999-9 MM/DD/CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

ACCOUNT STATEMENT

NOTIFICATION OF CAPITALIZATION

During the past year, your total payments were less than your accrued interest on the loan(s) you had or have been repaying under the Income Contingent Repayment (ICR) plan (this is called negative amortization). We capitalized the interest (totaling $999,999.99), meaning we added it to your principal balance as required under the ICR Plan.

MONTHLY PAYMENT AMOUNT

As a result of capitalizing the unpaid interest, your monthly payment (see below) may have changed. If you cannot pay your monthly amount, call our toll-free number, 1-800-848-0979. THIS IS NOT A BILL. Your next payment due date for your loan is MM/DD/CCYY.

Please call us if you have questions.

New
Monthly
Payment

$999999

THIS DISCLOSURE DOES NOT INCLUDE ANY DIRECT PLUS LOANS YOU MAY HAVE. FOR YOUR DIRECT CONSOLIDATION LOANS, THIS DISCLOSURE IS BASED ONLY ON TOTAL DEBT CONSOLIDATED BY THIS DATE . YOUR PAYMENT AMOUNT WILL BE RECALCULATED IF YOUR DEBT IS FULLY CONSOLIDATED AT A LATER DATE.

Your interest rate information is shown on the back of this Notice.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	MM/DD/CCYY
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		MM/DD/CCYY
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	MM/DD/CCYY
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	MM/DD/CCYY
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH MM/DD	$ .00

Please refer to the back of this statement for important information.

DSC4AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans
William D. Ford Federal Direct Loan Program

ANNUAL STATEMENT

ACCOUNT NUMBER: *999-99-9999*

FIRST NAME MI LAST NAME
STREET ADDRESS 1
STREET ADDRESS 2
CITY, ST 99999

This is the annual statement of your William D. Ford Federal Direct Loan account(s) from the U.S. Department of Education. This statement provides cumulative and yearly information for the loan(s) listed at the end of this statement.

The following information summarizes all financial activity occurring on your loan(s) for the 12-month period ending **December 31, 1997.** The opening balance represents the ending balance on your Direct Loan account(s) as of December 31, 1996. Amounts shown under payments/adjustments include payments posted to your account, payment reversals, and any reapplication of payments previously posted to your account.

ACTIVITY FOR THE YEAR	PRINCIPAL	INTEREST	LATE AND RETURNED CHECK CHARGES
OPENING BALANCE	9,999.99	9,999.99	9,999.99
NEW LOANS/INTEREST/CHARGES	9,999.99	9,999.99	9,999.99
SCHOOL ADJUSTMENTS/CANCELLATIONS	-9,999.99	9,999.99	9,999.99
CAPITALIZED INTEREST	9,999.99	9,999.99	9,999.99
PAYMENTS/ADJUSTMENTS	9,999.99	9,999.99	9,999.99
ENDING BALANCE	9,999.99	9,999.99	9,999.99

CUMULATIVE ACCOUNT INFORMATION

This section of your annual statement provides cumulative information on your Direct Loan account. The "Total School Adjustments" section shows increases and decreases to the original loan amount(s) resulting from cancellations, partial refunds, and/or other school initiated adjustments.

TOTAL AMOUNT OF LOANS	99,999.99	TOTAL PRINCIPAL PAID	99,999.99
TOTAL SCHOOL ADJUSTMENTS	99,999.99	TOTAL PRINCIPAL BALANCE	99,999.99
ADJUSTED LOAN AMOUNT	99,999.99	TOTAL INTEREST PAID	99,999.99
TOTAL CAPITALIZED INTEREST	99,999.99	TOTAL CHARGES PAID	99,999.99

STA3AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

Your Loans included in this statement are listed below:

Loan ID	Disb. Date	Total Disbursement Amount	Servicer Identifier
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
88888888888888888888	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
99999999999999999999	MM/DD/CCYY	99,999.99	99
Total Amount Disbursed		999,999.99	

BORROWER SERVICE INFORMATION

If any of the information in this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center was established to answer any questions you may have regarding your Federal Direct Loan(s) and to work with you to determine which repayment option will be best suited to your individual circumstances. The Direct Loan Servicing Center is available to assist your from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please keep us posted of any changes in your name, address, or student status--this information directly affects your loan. If the date of graduation changes, ask the school to notify us immediately.

Appendix E

Billing Communications

Direct Loans
William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Payment Due Notice

Your Direct Loan payment is now due. Please pay the Total Amount Due, mailing the coupon below with your payment. Thank you. For your convenience, you may access loan payment information on your account via the Internet at:

http://www.dlservicer.ed.gov

Your account is prepaid until MM/DD/CCYY. The current balance shown will accrue interest until paid in full.

Current Month Due Amount:	**$999,999,999.99**	**Current Payment Due Date: MM/DD/CCYY**	
Past Due Amount:	**$999,999,999.99**		
Total Amount Due:	**$999,999,999.99**	**To Make Your Account Current, Mail Payment:**	**By MM/DD/CCYY**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

BILLAV04

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ____________

Amount Paid: ____________

Check No. ____________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Total Amount Due: **999,999,999.99**

Total Amount Enclosed: ☐

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the *xx* of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?
If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name__________________________ MI____ Last Name__________________________

Maiden Name____

New Address____

City__________________________ State__________________ Zip Code__________

Current Home Phone #(______)______________ Current Business Phone #(_____)______________

Direct Loans
William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Payment Due Notice - Current and Past Due Amounts

As of MM/DD/CCYY, your Direct Loan payment has not been received. In the meantime, another monthly payment has become due. If you *have* already sent the Past Due Amount, send us only the Current Month Due Amount by the Current Payment Due Date. If you *have not* sent the Past Due Amount, please pay the Total Amount Due immediately.

Current Month Due Amount: $999,999,999.99
Past Due Amount: $999,999,999.99
Total Amount Due: $999,999,999.99

Current Payment Due Date: MM/DD/CCYY

To Make Your Account Current, Mail Payment: **Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

BIL2AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Total Amount Due: **999,999,999.99**

Total Amount Enclosed: ☐

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the ***xx*** of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?
If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name________________ MI____ Last Name________________

Maiden Name____________________________

New Address____________________________

City________________ State____________ Zip Code________

Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans
William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Billing Statement - Negative Amortization

Please send your payment. Note that (1) your monthly payment is less than interest owed on your loan and (2) uncapitalized accrued interest on your account is currently $999,999.99. When unpaid interest is capitalized (added to principal) once a year, it will increase the cost of your loan. To avoid capitalization, you can (1) send a payment to cover all or part of interest owed or (2) pay at least the amount of interest charged monthly to your account (about $999,999.99).

Your account is prepaid until MM/DD/CCYY. The current balance shown will accrue interest until paid in full.

Current Month Due Amount:	**$999,999,999.99**	**Current Payment Due Date: MM/DD/CCYY**	
Past Due Amount:	**$999,999,999.99**		
Total Amount Due:	**$999,999,999.99**	**To Make Your Account Current, Mail Payment:**	**By MM/DD/CCYY**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

BILFAV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: 999,999,999.99

Total Amount Enclosed: ☐

PREPAYMENT WAIVER

[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

If you send your payment overnight mail, use the U S Postal System to avoid delays

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the *xx* of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?
If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name______________________ MI____ Last Name______________________

Maiden Name______________________

New Address______________________

City______________________ State______________________ Zip Code__________

Current Home Phone #(______)______________ Current Business Phone #(______)______________

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

Dear First name MI Last Name

Congratulations! We have just processed the final payment on your Direct Loan account, which is now paid in full. If you have overpaid your account, we will forward your refund to you within 45 days.

We are pleased to have been able to help you meet your educational goals, and we wish you success in the future.

Sincerely,

Borrower Services Representative

L313AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/CCYY

First Name Middle Initial Last Name
Street Address
City, State Code Abbrev. Zip Code

Student's Name: *First MI Last*
Borrower Acct #: 999999999-A-99-A-99999-9-99

Dear First Name Middle Initial Last Name

You have failed to respond to the FINAL DEMAND NOTICE sent to you within the last 15 days. This notice required that you immediately repay $9999.99. This is the entire principal balance of your Direct Loan, $9999.99, plus accumulated interest in the amount of $999.99. IF YOU FAIL TO PAY THIS AMOUNT YOU WILL BE IN DEFAULT ON YOUR DIRECT LOAN.

Your payment for this amount may be sent to --

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 746000
Atlanta, GA 30374-6000

YOUR DIRECT LOAN WILL BE TRANSFERRED TO THE U.S. DEPARTMENT OF EDUCATION'S DEBT COLLECTION SERVICE IN 15 DAYS. At that time the Direct Loan Servicing Center Borrower Services Department will no longer be able to assist you in this matter. You must call or send your payment immediately. The Direct Loan Servicing Center is available to you from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday. We can be reached, toll free, at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

In 15 days, we will be notifying the major national credit bureaus of the default status of your Direct Loan. This action will severely damage your credit rating for years to come. You will also not be eligible for any federal student financial assistance while this loan remains in default. If you fail to resolve this matter with the U.S. Department of Education's Debt Collection Service, your wages will be garnished and Federal income tax refunds due you will be withheld to be applied toward your debt. At any time during this process the U.S. Department of Justice may sue you for the full balance of your loan, including all interest accumulated and all costs associated with collecting this debt.

DCS1AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

FINAL DEMAND NOTICE

YOU MUST PAY YOUR LOAN IN FULL NOW

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999-9

Reason for Notice

You have continually failed to make your monthly payments, have not responded to our previous notices, and/or your loan payments are 150 or more days delinquent. Because you have failed to meet the terms of your Promissory Note, we have the right to require full repayment immediately. We are requiring immediate full repayment of your Direct Loan(s) at this time.

Action Required By You

This means **YOU MUST IMMEDIATELY REPAY THE ENTIRE UNPAID BALANCE of your loan(s). We must receive this amount within 30 days of the postmark of this Notice.** The amount due is shown below.

Principal Balance Due:	$99999.99
Interest Due:	$9999.99
TOTAL DUE:	$99999.99

Send check or money order (with your account number written on it) for the total due to:

U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

Consequences

THIS IS YOUR LAST CHANCE TO AVOID DEFAULT. If we do not receive the entire unpaid balance of your loan(s) within 30 days of the postmark of this Notice, your loan(s) will be placed in default. This means that:

- Your loan will be transferred to the U.S. Department of Education Debt Collection Service (DCS) and you will be charged collection costs.
- You will be ineligible for federal student financial assistance and for some other federal benefits programs.
- Your credit rating will be damaged.
- Your wages may be garnished.
- Your federal income tax refund may be withheld.
- The U.S. Department of Justice may take legal action against you.

Important

If you want to take this last opportunity to arrange for a forbearance, deferment, or change in repayment plan to avoid defaulting on your loan(s) or if you have questions, please call the toll-free telephone number on the back of this Notice.

DEMPAV04

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

WARNING! WARNING!
DEFAULT STATUS!

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

Principal Balance:	$999,999.99
Interest Due:	$999,999.99
Total Amount of Debt:	$999,999.99

First Name MI Last Name
Street Address1
Street Address2
City, State Code Zip Code

REASON FOR NOTICE

You are in default on your Direct Loan(s).

Your failure to pay your loan is a serious violation of the terms and conditions of your loan. Defaulted educational loans are *not* dropped or forgiven. The U.S. Government pursues defaulted borrowers until all amounts owed are collected. (If you wish an explanation of this debt or an opportunity to dispute any information related to this debt, you must send in a written request.)

CONSEQUENCES

You are now subject to these penalties:

- You are ineligible for federal student financial assistance.
- You are ineligible for assistance under most federal benefits programs.
- We are now preparing to transfer your loan to the U.S. Department of Education's Debt Collection Service, which has the authority to take these collection actions against you:
  - Report your default to national credit bureaus.
  - Refer your account to a collection agency, which will add substantial collection costs to your original loan amount.
  - Initiate garnishment of your wages.
  - Take your federal income tax refunds.
  - Refer your account to the U.S. Department of Justice to take legal action against you.

ACTION YOU MAY TAKE

This is your **LAST OPPORTUNITY** to avoid referral to the Debt Collection Service (and its potential consequences) either by immediately paying in full or entering into a repayment agreement. Contact us **IMMEDIATELY** to make arrangements regarding your loan(s). Call our toll-free number:

1-800-848-0981

Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

BORROWER OPTIONS - DIFFICULT SITUATIONS

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

Reason for Notice

We recently received a notice (attached) from the National Credit Counseling Services, 10500 Little Patuxent Parkway, Suite 310, Columbia, MD 21044-3543.

The Direct Loan Program does not participate with Consumer Counseling Service Organizations. As an alternative, we offer many options to accommodate borrowers during times of personal and financial hardship.

Borrower Options During Difficult Situations

The U.S. Department of Education has several options to help you out if you cannot pay the full amount due on your Direct Loan(s) at any time. We look forward to working with you to structure your loan in a manner that is appropriate to your individual circumstances. To discuss your options, which are listed briefly below, please call us immediately.

Your Options	Enclosures	Action You Can Take
Get a Deferment	none	Call 1-800-848-0979 to find out if you qualify for a deferment and, if you do, to request a form.
Get a Forbearance	none	Call 1-800-848-0979 to request a forbearance form.
Consolidate Loans (i.e., combine all student loans into one easy payment, possibly at a lower interest rate)	none	Call 1-800-557-7392.
Switch Payment Plan	Repayment Plan Booklet and Repayment Plan Choices Information Sheet	Review enclosed information. To switch plans, call 1-800-848-0979.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

PAYMENT DUE DATE CHANGE
CONFIRMATION

First Name MI Last Name
Address1
Address2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

We have changed your Direct Loan payment due date, as you requested, to the **99xx day of the month**. The first payment due date on this new cycle is:

MM/DD/CCYY

Action Required

Electronic Deductions

If you pay your Direct Loans via automatic electronic deductions from your bank account each month, electronic deductions will occur on your new cycle date starting on the payment due date shown above.

Billing Statements or Coupon Book

If you use monthly billing statements or a coupon book, make payments on your new cycle date starting on the payment due date shown above. Send a check or money order (with your account number written on it) for the total due to:

U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

Include the appropriate month's coupon from the bottom of your billing statement or coupon book:

- If your most recent **billing statement** reflects your old payment due date, please use that billing statement for making your payment on the new due date. Your new due date should be reflected on future billing statements.
- If your current **coupon book** reflects your old payment due date, please use that coupon book for making your payments on the new due date until your coupons run out. If you meet eligibility criteria when we regenerate coupon books next June and July, we will issue you a new book reflecting this new due date.

How To Contact Us

Questions? If so, please call us at our toll-free telephone number shown on the back of this Notice.

MCB1AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Late Payment Notice: 15 Days Overdue

We have not yet received your full payment due, MM/DD/CCYY. Please send it immediately if you have not yet done so.

Current Month Due Amount: $999,999,999.99
Past Due Amount: $999,999,999.99
Total Amount Due: $999,999,999.99

Current Payment Due Date: MM/DD/CCYY

To Make Your Account Current, Mail Payment: **Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

PDP1AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ____________

Amount Paid: ____________

Check No. ____________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: 999,999,999.99

Total Amount Enclosed: ☐

PREPAYMENT WAIVER

[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the *xx* of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?
If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name____________________ MI____ Last Name____________________
Maiden Name____________________________________
New Address____________________________________
City____________________ State________________ Zip Code__________
Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans
William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Late Payment Notice: 30 Days Overdue

We still have not received your full payment, due MM/DD/CCYY, and a second payment is now due. If delinquency continues, this loan account will be reported to national credit bureaus as being past due and eventually defaulted (see enclosed brochure for penalties).

Current Month Due Amount: $999,999,999.99
Past Due Amount: $999,999,999.99
Total Amount Due: $999,999,999.99

Current Payment Due Date: MM/DD/CCYY

To Make Your Account Current, Mail Payment: **Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9					
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

PDP2AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: **999,999,999.99**

Total Amount Enclosed: ☐

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the *xx* of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name______________________ MI_____ Last Name______________________________

Maiden Name____

New Address____

City______________________________ State____________________ Zip Code_________

Current Home Phone #(______)________________ Current Business Phone #(______)________________

Direct Loans
William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Late Payment Notice: 45 Days Overdue

If delinquency continues, this loan account will be reported to national credit bureaus as being past due and eventually defaulted. Please contact us now at 1-800-848-0979, so we may discuss your repayment options and help you end your delinquency.

Current Month Due Amount: $999,999,999.99
Past Due Amount: $999,999,999.99
Total Amount Due: $999,999,999.99

Current Payment Due Date: MM/DD/CCYY

To Make Your Account Current, Mail Payment: **Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9					
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

PDP3AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ___________

Amount Paid: ___________

Check No. ___________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: **999,999,999.99**

Total Amount Enclosed: ☐

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

If you send your payment overnight mail, use the U S Postal System to avoid delays

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the ***xx*** of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name_______________ MI____ Last Name_______________

Maiden Name_______________

New Address_______________

City_______________ State_______________ Zip Code________

Current Home Phone #(_____)__________ Current Business Phone #(_____)__________

BILLING STATEMENT

Page X of Y

Late Payment Notice: 60 Days Overdue

We are preparing to report this account to national credit bureaus as being past due and eventually defaulted. To avoid credit rating damage, pay Total Amount Due immediately. Contact us now at 1-800-848-0979 to discuss this account.

Current Month Due Amount:	$999,999,999.99	**Current Payment Due Date: MM/DD/CCYY**	
Past Due Amount:	$999,999,999.99		
Total Amount Due:	$999,999,999.99	**To Make Your Account Current, Mail Payment:**	**Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9					
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

PDP4AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Total Amount Due: **999,999,999.99**

Total Amount Enclosed: ☐

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the *xx* of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?
If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name____________________ MI____ Last Name____________________

Maiden Name____________________________________

New Address____________________________________

City____________________ State______________ Zip Code________

Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans

William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Late Payment Notice: 90 Days Overdue

We are reporting this delinquency to national credit bureaus. You MUST pay Total Amount Due immediately or this loan could default. Contact us now at 1-800-848-0979 to discuss repayment options so that we can help avoid further credit rating damage.

Current Month Due Amount: **$999,999,999.99**
Past Due Amount: **$999,999,999.99**
Total Amount Due: **$999,999,999.99**

Current Payment Due Date: MM/DD/CCYY

To Make Your Account Current, Mail Payment: **Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

PDP5AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Total Amount Due: **999,999,999.99**

Total Amount Enclosed: ________

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the ***xx*** of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name__________________ MI____ Last Name__________________

Maiden Name________________________________

New Address________________________________

City________________ State____________ Zip Code________

Current Home Phone #(_____)__________ Current Business Phone #(_____)__________

Direct Loans
William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Late Payment Notice: 120 Days Overdue

We are updating our report to national credit bureaus concerning your delinquency. You must pay immediately. If you do not pay, your loan will soon default (see enclosed brochure for penalties). Contact us immediately. **If you do not pay the Total Amount Due or make satisfactory arrangements within 30 days, we will demand full repayment of all principal and interest immediately.**

Current Month Due Amount: $999,999,999.99
Past Due Amount: $999,999,999.99
Total Amount Due: $999,999,999.99

Current Payment Due Date: MM/DD/CCYY

To Make Your Account Current, Mail Payment: **Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

PDP6AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:
Date Paid: ________
Amount Paid: ________
Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: 999,999,999.99

Total Amount Enclosed: ☐

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the ***xx*** of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name____________________ MI____ Last Name____________________

Maiden Name____

New Address____

City____________________ State____________ Zip Code________

Current Home Phone #(_____)__________ Current Business Phone #(_____)__________

Direct Loans
William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Late Payment Notice

As of MM/DD/CCYY, your Direct Loan payment has not been received. In the meantime, another monthly payment has become due. If you *have* already sent the Past Due Amount, send us only the Current Month Due Amount by the Current Payment Due Date. If you *have not* sent the Past Due Amount, please pay the Total Amount Due. Send the coupon below with your payment. If you use a coupon book but have lost it, please call the Direct Loan Servicing Center (our number is 1-800-848-0979) to request a new book.

Current Month Due Amount:	**$999,999,999.99**	**Current Payment Due Date: MM/DD/CCYY**	
Past Due Amount:	**$999,999,999.99**		
Total Amount Due:	**$999,999,999.99**	**To Make Your Account Current, Mail Payment:**	**Immediately**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

PDPCAV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: 999,999,999.99

Total Amount Enclosed: ☐

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the ***xx*** of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?
If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name________________ MI____ Last Name________________

Maiden Name________________________________

New Address________________________________

City________________ State____________ Zip Code________

Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans
William D. Ford Federal Direct Loan Program

Month DD, CCYY

We have changed our records to show that you left school or fell below half-time student status on MM/DD/CCYY. This information was reported to us by NAME OF SCHOOL.

As a result, your first installment is due on MM/DD/CCYY. Please remit your payment along with the coupon below.

If you have been enrolled on at least a half-time basis after MM/DD/CCYY, please complete and return the enclosed deferment form immediately.

LAST PAYMENT APPLIED

ACCOUNT NUMBER	LAST PAYMENT	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGE	TOTAL DUE
999-99-9999	999, 999,999.99	999, 999,999.99	999,999,999.99	999,999,999.99	999.99	999,999,999.99
						999,999,999.99

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

SPD1AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ____________

Amount Paid: ____________

Check No.: ____________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: 999,999,999.99

Total Amount Enclosed: ☐

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S Postal System to avoid delays

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name______________________ MI_____ Last Name______________________

Maiden Name______________________

New Address______________________

City______________________ State______________________ Zip Code__________

Current Home Phone #(______)______________ Current Business Phone #(______)______________

167

Direct Loans
William D. Ford Federal Direct Loan Program

Month DD, CCYY

We have changed our records to show that you left school or fell below half-time student status on MM/DD/CCYY. This information was reported to us by NAME OF SCHOOL. As a result, your grace period expired on MM/DD/CCYY and your first payment was due on MM/DD/CCYY. The total due at this time is $999.99.

If you cannot pay the amount in full, please contact us. If you have been enrolled on at least a half-time basis after MM/DD/CCYY, complete the enclosed deferment form.

Please give this matter your preferred attention.

LAST PAYMENT APPLIED

ACCOUNT NUMBER	LAST PAYMENT	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGE	TOTAL DUE
999-99-9999	999, 999,999.99	999, 999,999.99	999,999.999.99	999,999,999.99	999.99	999,999,999.99
						999,999,999.99

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

SPD2AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ____________

Amount Paid: ____________

Check No.: ____________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

Total Amount Due: 999,999,999.99

Total Amount Enclosed: ☐

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

PREPAYMENT WAIVER
[ ] If you are paying at least twice your monthly amount (or more), we will advance your next payment due date by the number of months you are prepaying. Check this box only if you do not want your payment due date advanced. (If you are delinquent, additional payments may NOT prepay your account.)

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name____________________ MI____ Last Name__________________________

Maiden Name____

New Address____

City___________________________ State_________________ Zip Code________

Current Home Phone #(_____)_______________Current Business Phone #(_____)_______________

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER 999-99-9999-9

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

Monthly Payments Due

Your school reported this loan to us late. Repayment of this loan account began MM/DD/CCYY, but the late reporting prevented us from informing you payments were due. We have now calculated your payment schedule (see below) using our Standard Plan and you will receive your first bill soon. Please review the enclosed information about repayment plans and call us immediately at our toll-free number if you want to repay under another plan.

# of Payments	Payment Amount	Date Starting	*Total of Payments
999	99.99	MM/DD/CCYY	
9	9.99	MM/DD/CCYY	9999.99

*Assumes all payments will be made on time.
If you have been enrolled in school on at least a half-time basis after MM/DD/CCYY, please contact your school for deferment options.

Interest Capitalizing

We placed a forbearance (to begin MM/DD/CCYY and end MM/DD/CCYY) on this loan account to keep it from being delinquent when you were not informed payments were due. During a forbearance, payments are suspended but interest accrues on all loans. The total interest that will accrue on this loan account during your forbearance is $9,999.99. This interest will be capitalized (added to principal balance) at the end of the forbearance for a new balance of $999,999.99. If you wish to pay this interest now instead of having it capitalized, please write to us.

Your interest rate information is shown on the back of this Notice.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	MM/DD/CCYY
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		MM/DD/CCYY
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	MM/DD/CCYY
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	MM/DD/CCYY
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH MM/DD	$ .00

Please refer to the back of this statement for important information.

BEST COPY AVAILABLE

SPD6AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans
William D. Ford Federal Direct Loan Program

mm/dd/yy

First Name Middle Initial Last Name
Street Address
City, State Code Abbrev. Zip Code

Student's Name: *First MI Last*
Borrower Acct #:999-99-9999-9

Dear First Name Middle Initial Last Name

You have failed to respond to the FINAL DEMAND NOTICE we sent to you. This notice required that you immediately repay $9999.99. This is the entire principal balance of your Direct Loan, $9999.99, plus accumulated interest in the amount of $999.99. YOU ARE NOW IN DEFAULT ON YOUR DIRECT LOAN.

YOUR DIRECT LOAN HAS BEEN TRANSFERRED TO THE U.S. DEPARTMENT OF EDUCATION'S DEBT COLLECTION SERVICE. All further contact will be from the Debt Collection Service. The Direct Loan Servicing Center Borrower Services Department is no longer able to assist you regarding your debt.

Furthermore, we have notified the major national credit bureaus of the default status of your Direct Loan. You are not eligible for any federal student financial aid of any type while this loan remains in default. If you fail to resolve this matter with the U.S. Department of Education's Debt Collection Service your wages will be garnished and federal income tax refunds due you will be withheld to be applied toward your debt. At any time during this process the U.S. Department of Justice may sue you for the full balance of your loan, including all interest accumulated and all costs associated with collecting this debt.

The U.S. Department of Education's Debt Collection Service can be reached, toll-free, at 1-800-621-3115. If you would prefer to write, direct your correspondence to:

U.S. Department of Education
Federal Direct Student Loan Collections
P.O. Box 4139
Greenville, TX 75403-4139

TRF2AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

LOAN NEARING REHABILITATION

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999-9

Reason for Notice

The U.S. Department of Education's Debt Collection Service (DCS) has informed us that you will shortly rehabilitate your Direct Loan(s). Once you have made your 12th consecutive monthly payment, rehabilitation occurs and your Direct Loan(s) will be transferred to the Direct Loan Servicing Center (DLSC) for servicing. In addition, the DLSC will be putting your loans on a repayment plan of your choice.

Action You Must Take

Please complete the enclosed *Repayment Plan Selection* form and return it to the DLSC within the **NEXT 60 DAYS** in the pre-addressed envelope provided. Please read over the enclosed repayment plan information before you make a selection.

If you do not respond before your loan is rehabilitated, the DLSC will place your loan(s) on the Standard repayment plan.

Questions?

Questions? Please contact us at our toll-free telephone number shown on the back of this Notice if you have any questions concerning the repayment plans or how to complete the enclosed form.

TRF3AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

DLSC IS NOW YOUR CONTACT

REGARDING YOUR DIRECT LOAN(S)

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999-9

Reason for Notice

The U.S. Department of Education's Debt Collection Service (DCS) has transferred your Direct Loan(s) back to the Direct Loan Servicing Center (DLSC) because:

☐ You have successfully rehabilitated your loan(s). Because you did not respond to the Notice we sent you recently that asked you to select a repayment plan, we have placed your account on the Standard repayment plan. We will be contacting you shortly to inform you of your payment amount and to request a payment method.

☐ The transfer of your loan(s) to DCS was in error. Your loan(s) will be placed on the same repayment plan that was in effect on the loan(s) before the transfer to DCS. The DLSC will be contacting you shortly to inform you of your payment amount and to request a method of payment.

Action You Can Take

If you would like to repay your loan(s) under a different repayment plan, please contact the DLSC at the toll-free telephone number shown on the back of this Notice.

Helping You Along the Way

We strive to help you find workable and flexible solutions for repaying your Direct Loan(s). If you ever experience financial difficulties, you may be eligible for a deferment, forbearance, or consolidation loan—or you may wish to change your repayment plan to one better suited to your circumstances.

Please contact us at the toll-free telephone number or address shown on the back of this Notice if you have any questions or concerns regarding your loan(s).

TRF4AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix F

Quarterly Unsubsidized Interest Statement

Direct Loans
William D. Ford Federal Direct Loan Program

QUARTERLY INTEREST STATEMENT

MM/DD/CCYY

Interest has accrued on your Direct Loan(s) during the last quarter. Please note that the principal balance shown below is the sum of your Direct xxxxxxxxxxxx Loan balances only. Your options are shown below.

OPTION 1 - Pay Now	OPTION 2 - Pay Later
Direct Unsubsidized or Direct PLUS Loans Pay the amount of "Total Unpaid Interest at Quarter End" shown below. If you choose to pay the interest, please send your payment (along with the bottom coupon portion of this Notice) in the envelope provided.	**Direct Unsubsidized Loans** Do not pay the interest and have all your unpaid interest capitalized (added to your principal balance). If you are in school or in a grace period, capitalization will occur when your loan enters repayment. If you are in a deferment period, it occurs after the deferment period ends. This means your principal balance will be larger when you enter repayment and the total cost of your loan will increase. **Direct PLUS Loans** If you have not yet entered repayment, do not pay the interest now but, when you do enter repayment, have your monthly payments satisfy all unpaid interest before being applied to your principal balance. If you are in a deferment period, capitalization will occur after the deferment period ends. This means the total cost of your loan will be larger because you will not be reducing your principal as quickly.

As Of Date	Interest Paid Last Quarter	Interest Accrued Last Quarter	**Total Unpaid Interest at Quarter End**	Principal Balance	Total Principal And Interest
MM/DD/CCYY	999,999.99	999,999.99	**999,999.99**	999,999,999.99	999,999,999.99

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

INT1AV04

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ____

Amount Paid: ____

Check No. ____

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: **999, 999,999.99**

Total Amount Enclosed: ☐

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name____________________ MI____ Last Name____________________

Maiden Name____

New Address____

City____________________ State____________________ Zip Code__________

Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans
William D. Ford Federal Direct Loan Program

REPLACEMENT QUARTERLY INTEREST STATEMENT

MM/DD/CCYY

Interest has accrued on your Direct Loan(s) during the last quarter. Please note that the principal balance shown below is the sum of your Direct xxxxxxxxxxxx Loan balances only. Your options are shown below.

OPTION 1 - Pay Now	OPTION 2 - Pay Later
Direct Unsubsidized or Direct PLUS Loans Pay the amount of "Total Unpaid Interest at Quarter End" shown below. If you choose to pay the interest, please send your payment (along with the bottom coupon portion of this Notice) in the envelope provided.	**Direct Unsubsidized Loans** Do not pay the interest and have all your unpaid interest capitalized (added to your principal balance). If you are in school or in a grace period, capitalization will occur when your loan enters repayment. If you are in a deferment period, it occurs after the deferment period ends. This means your principal balance will be larger when you enter repayment and the total cost of your loan will increase. **Direct PLUS Loans** If you have not yet entered repayment, do not pay the interest now but, when you do enter repayment, have your monthly payments satisfy all unpaid interest before being applied to your principal balance. If you are in a deferment period, capitalization will occur after the deferment period ends. This means the total cost of your loan will be larger because you will not be reducing your principal as quickly.

As Of Date	Interest Paid Last Quarter	Interest Accrued Last Quarter	**Total Unpaid Interest at Quarter End**	Principal Balance	Total Principal And Interest
MM/DD/CCYY	999,999.99	999,999.99	**999,999.99**	999,999,999.99	999,999,999.99

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

INT6AV02

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ___________

Amount Paid: ___________

Check No. ___________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

☐ **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: 999, 999,999.99

Total Amount Enclosed: ☐

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name____________________ MI____ Last Name____________________

Maiden Name____

New Address____

City____________________ State________________ Zip Code________

Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans
William D. Ford Federal Direct Loan Program

QUARTERLY FORBEARANCE INTEREST STATEMENT

MM/DD/CCYY

Interest accumulated on your Direct Loan(s) in forbearance during the last quarter that ended MM/DD/CCYY.

OPTION 1 - Pay Now	OPTION 2 - Pay Later
Direct Unsubsidized or Direct PLUS Loans Pay the amount of "Total Unpaid Interest at Quarter End" shown below. If you choose to pay the interest, please send your payment (along with the bottom coupon portion of this Notice) in the envelope provided.	**Direct Unsubsidized Loans** Do not pay the interest and have all your unpaid interest capitalized (added to your principal balance). If you are in school or in a grace period, capitalization will occur when your loan enters repayment. If you are in a deferment period, it occurs after the deferment period ends. This means your principal balance will be larger when you enter repayment and the total cost of your loan will increase. **Direct PLUS Loans** If you have not yet entered repayment, do not pay the interest now but, when you do enter repayment, have your monthly payments satisfy all unpaid interest before being applied to your principal balance. If you are in a deferment period, capitalization will occur after the deferment period ends. This means the total cost of your loan will be larger because you will not be reducing your principal as quickly.

Please note that the principal balance shown below is the sum of your Direct Loan(s) in forbearance only. Other Direct Loan(s) not in forbearance, if applicable, are not reflected in this statement. We received your last payment of $999.99 on MM/DD/CCYY and applied $999.99 of that payment to interest.

As Of Date	Interest Paid Last Quarter	Interest Accrued Last Quarter	**Total Unpaid Interest at Quarter End**	Principal Balance	Total Principal And Interest
MM/DD/CCYY	999,999.99	999,999.99	**999,999.99**	999,999,999.99	999,999,999.99

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

INT7AV02

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ____________

Amount Paid: ____________

Check No. ____________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: **999, 999,999.99**

Total Amount Enclosed:

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon

First Name____________________ MI____ Last Name____________________

Maiden Name____

New Address____

City____________________ State________________ Zip Code________

Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF SUBSIDIZED, UNSUBSIDIZED, OR PLUS LOAN DISBURSEMENT

First Name MI Last Name
Street Address 1
Street Address 2
City, State Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999-9

Our records show your school issued a Direct Loan Disbursement to you or your school account in the amount and on the date shown below.

Loan Information -*Please Keep For Future Reference*

School Name: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Type of Loan: xxxxxxxxxxxxxxxxxxxxx

Loan I.D. Number:	xxxxxxxxxxxxxxxxxxxxx	Loan Amount Approved:	**$999,999.99**
Date of Disbursement:	**MM/DD/CCYY**	Interest Rate:	**9.99%**
This Gross Disbursement:	**$999,999.99**	Loan Fee:	**$999,999.99**
This Net Disbursement:	**$999,999.99**		
Expected Repay Start Date:	**MM/DD/CCYY**	Repayment Plan (if selected):	xxxxxxxxxxxxxxxxxxxxxxxxxxx

Current Total Direct Loan Indebtedness For This Loan (including this disbursement): **$999,999.99**

This Is A Loan

This is not a grant, award, or scholarship. It is a loan that must be repaid.

Other Loans May Still Exist

This Notice refers only to your Direct Loan disbursed on the date and under the Loan I.D. Number shown above. If you have other federal education loans, you may consolidate them with your Direct Loans—for a convenient single payment—by calling the Loan Origination Center at 1-800-557-7392. The Telecommunications Device for the Deaf (TDD) number is 1-800-557-7395.

Interest Rates Are Variable

The interest rate on your loan can vary each year on July 1, but cannot exceed 8.25% for Direct Subsidized and Unsubsidized Loans and 9.0% for Direct PLUS Loans. The current interest rate is shown above. Your exact payment may change when the rate changes.

Repayment Begins...

Direct Subsidized and Unsubsidized Loans enter repayment 6 months after the student drops below half-time enrollment at an eligible school. Direct PLUS Loans enter repayment after the loan shown above is fully disbursed even if your student is still enrolled in school (there is no 6-month grace period for Direct PLUS Loans). You may repay this loan in full *anytime* without prepayment penalty. If you experience difficulty repaying your Direct Subsidized, Unsubsidized, or PLUS Loan, call us at the toll-free telephone number on the back to discuss your options such as a forbearance, a deferment, or a change in repayment plans.

Flexible Repayment Plans Exist

We offer a range of repayment plans: Standard plan (fixed payment for up to 10 years), Extended plan (fixed payment for 12 to 30 years), Graduated plan (smaller payment at first and larger payment later), and Income Contingent Repayment (ICR) plan (payment based on income and loan amount; NOT available for PLUS Loans). If you are a Direct Subsidized or Unsubsidized Loan borrower, you can select a repayment plan anytime before the end of the 6-month grace period. If you are a PLUS borrower, we will send you repayment plan selection materials before the first payment is due.

WEL1AV01

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix G

Welcome Letters

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF CONSOLIDATION LOAN DISBURSEMENT

First Name MI Last Name
Street Address 1
Street Address 2
City, State Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999-9

The U.S. Department of Education disbursed the amount shown below to your former loan holder(s) for this Direct Consolidation Loan Account.

Loan Information- *Please Keep For Future Reference*

Type of Loan:	xxxxxxxxxxxxxxxxxxxxxx		
Loan I.D. Number:	xxxxxxxxxxxxxxxxxxxxxx		
Date of Disbursement:	**MM/DD/CCYY**		
This Disbursement Amount:	**$999,999.99**	Current Interest Rate:	**9.99%**
Expected Repay Start Date:	**MM/DD/CCYY**	Repayment Plan (if selected):	xxxxxxxxxxxxxxxxxxxxxxxxxxxx
Current Total Direct Loan Indebtedness For This Loan (including this disbursement):			**$999,999.99**

This Is A Loan

This is not a grant, award, or scholarship. It is a loan that must be repaid.

Other Loans May Still Exist

You may have federal education loans that you choose not to consolidate or that you choose to consolidate but that have not been paid off yet. If you have any questions about which loans have been consolidated or whether you should continue to make payments to another loan holder, call the Loan Origination Center at 1-800-557-7392. The Telecommunications Device for the Deaf (TDD) number is 1-800-557-7395.

Interest Rates Are Variable

The interest rate on your loan can vary each year on July 1, but cannot exceed 8.25% for Direct Subsidized and Unsubsidized Consolidation Loans and 9.0% for Direct PLUS Consolidation Loans. The current interest rate is shown above. Your exact payment may change when the rate changes.

Repayment Begins...

Direct Consolidation Loans enter repayment when the loan is first disbursed, unless your Direct Consolidation Loan includes a loan that was in an in-school period at the time of application. In this case, your Direct Consolidation Loan will receive up to a 6-month grace period when you drop below half-time enrollment at an eligible school. You may repay your Direct Consolidation Loan in full *anytime* without prepayment penalty. If you experience difficulty repaying your Direct Consolidation Loan, call us at the toll-free telephone number on the back to discuss your options such as a forbearance, a deferment, or a change in repayment plans.

Flexible Repayment Plans Exist

We offer a range of repayment plans: Standard plan (fixed payment for up to 10 years), Extended plan (fixed payment for 12 to 30 years), Graduated plan (smaller payment at first and larger payment later), and Income Contingent Repayment (ICR) plan (payment based on income and loan amount; NOT available for PLUS Loans). Direct Consolidation Loan borrowers select a repayment plan when signing their Promissory Notes unless their Direct Consolidation Loans are in an in-school period.

WELCAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

Dear First name MI Last Name

Congratulations! We have just processed the final payment on your Direct Loan account, which is now paid in full. If you have overpaid your account, we will forward your refund to you within 45 days.

We are pleased to have been able to help you meet your educational goals, and we wish you success in the future.

Sincerely,

Borrower Services Representative

PIF0AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix H

Forbearance Letters

Direct
Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#: DLX999 999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Forbearance Request

Dear First name MI Last Name

Thank you for sending your request for forbearance on your Direct Loan. We have reviewed your request and discovered that we are unable to process your request for the following reason(s):

☐ The forbearance period requested does not cover the existing delinquency on your account. A new request form has been sent under separate cover. Please complete and return the form immediately.

☐ The information requested (income, expenses, reason for request) is incomplete. Your form is either enclosed or a new request form has been sent under separate cover. Please complete and return the form immediately.

☐ You have already exhausted the maximum 36 months allowed for forbearance. Please contact us immediately to set up a repayment plan. With an income contingent repayment plan, your payment will be tied to your income.

☐ Your loan is now being serviced by the U.S. Department of Education's Debt Collection Service. Please contact them immediately at 1-800-621-3115.

☐ You have altered the form, making it invalid. A new form will be sent under separate cover. Please complete and return the form immediately.

☐ Your signature is missing. We have enclosed a copy of the form you submitted. Please sign and return it to us immediately.

☐ Other ____
____
____

Please continue to make payments on your loan until we have processed your forbearance application. This will prevent your account from becoming delinquent.

We apologize for any inconvenience this situation may cause you. If you have any questions, please contact our Direct Loan Servicing Center Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday. If you would prefer to write, please direct your correspondence to:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

FOR2AV01

Direct Loans

William D. Ford Federal Direct Loan Program

BILLING STATEMENT

Page X of Y

Reduced Payment Forbearance Payment Due

A Reduced Payment Forbearance is in effect on your Direct Loan(s) until MM/DD/CCYY. You will receive this type of billing statement until the Forbearance ends. Please send your payment.

Note that if your payment is less than your monthly interest ($9,999.999), any excess interest will be capitalized (i.e., be added to your principal balance) when your Forbearance ends. If you pay at least or more than the interest, you can avoid capitalization.

Current Month Due Amount:	**$999,999,999.99**	**Current Payment Due Date: MM/DD/CCYY**
Past Due Amount:	**$999,999,999.99**	
Total Amount Due:	**$999,999,999.99**	**To Make Your Account Current, Mail Payment: By MM/DD/CCYY**

If you think you may be unable to make a scheduled payment, please contact the Direct Loan Servicing Center immediately to discuss alternative arrangements.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

ACCOUNT NUMBER	CURRENT BALANCE	CURRENT DUE	PAST DUE	LATE CHARGES AND FEES	TOTAL DUE
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTALS:	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

BIL9AV03

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No.: ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: **999,999,999.99**

Total Amount Enclosed: ☐

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Questions? Please call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

SEND PAYMENTS TO:

U.S. Department of Education
P.O. Box 530260
Atlanta, GA 30353-0260

SEND CORRESPONDENCE TO:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Your payments are due on the *xx* of each month. Payments received after this date may incur late charges. Your last payment in the amount of $999,999,999.99 was received on 99/99/9999. The total amount of payments received in the last billing period, ending 99/99/9999, is summarized below. If you are interested in paying off your Direct Loan(s), please call our toll-free telephone number for an estimated payoff amount.

PAYMENT ACTIVITY SUMMARY:

ACCOUNT NUMBER	LATE CHARGES AND FEES	INTEREST PAID	PRINCIPAL PAID	CURRENT BALANCE	TOTAL RECEIVED
999-99-9999-1	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-2	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-3	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-4	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-5	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-6	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-7	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-8	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
999-99-9999-9	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99
TOTAL RECEIVED:	999, 999,999.99	999,999,999.99	999,999,999.99	999,999,999.99	999,999,999.99

Note: All payments are applied to outstanding late charges, returned check charges and accrued interest before being applied to principal.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?
If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name________________ MI____ Last Name________________

Maiden Name____________________________

New Address____________________________

City________________ State____________ Zip Code________

Current Home Phone #(____)__________ Current Business Phone #(____)__________

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER *999-99-9999-9* *Month DD, CCYY*

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

The forbearance to temporarily stop making payments or to pay a reduced payment amount on your Direct Loan(s) will end on the "Forbearance Expires" date shown below. At that time, any unpaid interest that has accumulated will be added to the principal balance of your loan (capitalized). This means your balance will be larger than it was when your forbearance began. As a result, your principal balance will be higher when your forbearance ends. The amount of interest to be capitalized, if unpaid at the forbearance expiration is $999,999.99.

Your regular monthly payments will resume shortly after the forbearance expires. We will notify you when to resume these payments. If you are still experiencing financial hardship, please contact the Direct Loan Servicing Center Borrower Services Department at least 30 days prior to the expiration of the forbearance to request a new forbearance.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

FOR1AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

ADMINISTRATIVE FORBEARANCE NOTICE

MM/DD/CCYY

ACCOUNT#: 999-99-9999

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

Reason for Notice

We have placed an Administrative Forbearance on the above named account for the period from MM/DD/CCYY to MM/DD/CCYY based on the following condition.

☐ Late notification of your withdrawing from school or dropping below half-time status at your school.

☐ To cover a delinquency prior to a deferment.

☐ To cover a delinquency prior to a repayment plan change.

☐ To cover the period while your request for a loan cancellation/discharge is pending.

☐ National disaster or military mobilization.

☐ To cover the gap between the end of a deferment and the end of the month.

☐ Other ____

____

Action To Take

No action is required at this time. During a forbearance, payments are suspended but interest continues to accrue. Any unpaid interest accrued during forbearance will be capitalized (added to principal balance) at the end of the forbearance. However, if a forbearance is to cover a delinquency prior to a deferment, interest will be capitalized at the end of the deferment. You will be sent a notice showing the amount of interest accrued and giving you the opportunity to pay the interest rather than have it capitalized.

Questions?

If you have questions, please call us at our toll-free telephone number: **1-800-848-0979**. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call this number: 1-800-848-0983.

FOR3AV01

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education • P.O. Box 4609, Utica, NY 13504-4609

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER *999-99-9999*

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

This Notice is to inform you that the forbearance (temporary suspension or extension of payment) on your Direct Loan(s) expired on MM/DD/CCYY. Your new principal loan amount is $999,999,999.99. Note that any unpaid interest that accumulated on your loan during the forbearance has been included in this balance. The total amount of interest capitalized during the forbearance period was $999,999.99. If you have any questions about your balance, please call us at the toll-free number listed on the reverse side of this Notice.

Please note that your next payment is due on MM/DD/CCYY. We will send you a billing statement. If you are using electronic deductions to make payments, we will send you other instructions. If you were using coupons from a coupon book prior to the forbearance period, we will put you on monthly billing at this time. If you meet eligibility criteria when we regenerate coupon books next June and July, we will issue you a new book then.

Your revised payment schedule is as follows:

# of Payments	Payment Amount	Date Starting	*Total of Payments
999	999,999.99	MM/DD/CCYY	
9	999,999.99	MM/DD/CCYY	999,999,999.99

* Assumes all payments will be made on time.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

FOR4AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

ACCOUNT NUMBER *999-99-9999-9*

Month DD, CCYY

First Name MI Last Name
Street Address 1
Street Address 2
City State Abbrev. Zip Code

ACCOUNT STATEMENT

We are pleased to tell you your request for a forbearance on your Direct Loan(s) to temporarily stop making payments has been approved for the period beginning MM/DD/CCYY and ending MM/DD/CCYY.

During this period, you will not be required to pay any principal or interest on your loan, but interest will continue to accumulate. You will receive a bill for this interest each quarter, or portion of a quarter, you are in forbearance. These bills will arrive approximately 25 days prior to the date on which the interest becomes due. If you choose not to pay these bills, all unpaid interest will be added to your principal balance (capitalized) when the forbearance ends. If you do not pay the interest quarterly, your balance will be larger than it was before your forbearance began. The estimated amount of interest that will accrue during your forbearance period is $999,999.99.

If you should have any questions, simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

OUR RECORDS INDICATE

NET DISBURSEMENT AMOUNT	$ .00	LOAN TYPE	XXXXX
CAPITALIZED INTEREST	$ .00	SOCIAL SECURITY NO.	999-99-9999
TOTAL PRINCIPAL PAID	$ .00	TELEPHONE NO.	(999)999-9999
TOTAL INTEREST PAID	$ .00	LOAN STATUS	XXXXXXXXXXXXXXXXXXXX
TOTAL LATE CHARGES PAID	$ .00	CURRENTLY ENROLLED AT	XXXXXXXXXXXXXXXXXXX
OUTSTANDING PRINCIPAL BAL	$ .00		
LAST PAYMENT DEPOSITED		_ FULL TIME _ HALF TIME _ PART TIME	
TO PRINCIPAL	$ .00	FORBEARANCE EXPIRES	*MM/DD/CCYY*
TO INT $ .00 LATE CHRG	$ .00	EXPECTED/ACTUAL SEPARATION DATE	
LATE CHARGES DUE	$ .00		*MM/DD/CCYY*
PAST DUE AMOUNT	$ .00	DEFERMENT EXPIRES	*MM/DD/CCYY*
CURRENT DUE AMOUNT	$ .00	FIRST/NEXT INSTALLMENT	*MM/DD/CCYY*
TOTAL AMOUNT DUE	$ .00	ACCRUED INT. THROUGH *MM/DD*	$ .00

Please refer to the back of this statement for important information.

FORAAV03

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

FORBEARANCE APPLICATION ENCLOSED

Reason for Notice

Due to the delinquency on your Direct Loan(s), we are sending you the enclosed General Forbearance Request form. You can use this form to request a forbearance on your loan(s).

A forbearance is:

- an arrangement to postpone or reduce the amount of your monthly payment for a limited and specific time period.
- useful for borrowers who are having trouble making loan payments.

Please note that during any forbearance period, interest continues to accrue on your loan(s).

When the forbearance ends, we will capitalize (add to your principal balance) any unpaid interest accumulated during the forbearance period. In that case, your balance will be larger than it was before your forbearance began. We will give you the opportunity to pay the interest to avoid capitalization.

Actions You May Take

Please do not ignore this serious matter any longer. If you are willing but unable to make your current Direct Loan payments due to a temporary financial hardship, please fully complete the enclosed form and return it to our address on this Notice.

Be sure to enter an **END DATE** on the form. The maximum forbearance period you can request is one year.

If an end date is missing on the form that you submit:

- We will *suspend* payments for 90 days from the BEGIN DATE.

If you do not return the General Forbearance Request form or do not send payments within 25 days, we must report your account as delinquent to national credit bureaus.

After we review your application, we will inform you when we approve a forbearance. If you are still experiencing financial difficulties towards the end of the forbearance period, please call us to renew.

Need Help?

Questions? If so, please call our toll-free telephone number, which is 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call the following number: 1-800-848-0983.

FORDAV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

REDUCED PAYMENT FORBEARANCE

APPROVED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

We have approved the forbearance (temporary reduction of payments) you requested on your Direct Loan(s).

During the forbearance period, from MM/DD/CCYY to MM/DD/CCYY, your reduced monthly payment amount due each month is:

$999,999.99

(Your regular monthly payment amount is: $999,999.99.)

Please note that interest will continue to accrue on your loan(s) during this time. We will apply payments first to any outstanding late charges and fees, then to accumulated interest, and finally to principal.

If you have any unpaid interest when the forbearance ends, we will capitalize it (add it to your principal balance). In that case, your balance will be larger than it was before your forbearance began.

Actions You May Take

The reduced forbearance payment amount is due on your regular monthly due date, which is the xxxx of each month. You will receive a billing statement for this reduced amount each month.

Need Help?

Questions? Or concerns about your ability to make your monthly payment, even at this reduced amount? If so, please call our toll-free telephone number on this Notice to ask about available options.

FORRAV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix I

Deferment Letters

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

First Name MI Last Name
Street Address
City, State Code Zip Code

ACCOUNT#: 999-99-9999-9

Dear Borrower:

We have received your request for a (an) ______________________ deferment. We regret that we are unable to process your request at this time for the following reason(s):

☐ Your form was not properly certified. Your firm must be certified by ______________________________ to qualify. Your form is either enclosed or a new form has been sent under separate cover. Please complete the form, have it certified, and then return it to the address below.

☐ You have already exhausted the maximum ________ months of ______________ deferment allowed. Please resume making monthly payments.

☐ The deferment will be processed when your grace period ends. You will receive confirmation when the deferment has been processed.

☐ We cannot process your deferment until your grace period has expired. Please resubmit the enclosed deferment form during ________________

☐ Other: ____
____

If you have any questions, please contact our Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday. If you would prefer to write, please direct your correspondence to:

U. S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P. O. Box 4609
Utica, New York 13504-4609

DEF8AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#: 999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your In-School Deferment Request

Dear First name MI Last Name

Thank you for sending your request for an In-School deferment on your Direct Loan. We have reviewed your request and discovered that we are unable to process your request for the following reason(s);

☐ Your authorized official did not certify future enrollment. Your enrollment was only certified through __________.

☐ The institution at which you are enrolled is not on our list of institutions entitling you to deferment benefits. Please check with your school regarding its participation in Department of Education programs.

☐ Your status (full or half-time) was not verified. A new In-School deferment form has been sent under separate cover. Please complete the form, have it verified by an authorized official, and return it as soon as possible.

☐ Your status was listed as less than half-time. This status is ineligible to defer your loan.

☐ Your dates of attendance are incomplete or missing.

☐ The attached form has been received from your school certifying your enrollment. If this information is correct, and you authorize a deferment to be placed on your account as certified by your school, please sign below and return.

______________________ Signature ______________ Date

☐ Other ____

____

We have either enclosed your deferment form or will be mailing you a new form for your convenience. Simply fill out all the information that pertains to you and ask your authorized school official (registrar or financial aid administrator) to complete the school certification section. All areas on the form must be properly completed in order for us to process your request. If your authorized official makes any errors while completing your dates of deferment, he or she must initial the changes on the form.

If your school certifies your deferment only through the current enrollment period (not through your expected graduation date), we will apply your deferment ONLY for the current enrollment period. If you would like a deferment beyond that date, just give us a call and we will send you another deferment request form.

Please continue to make payments on your loan until we have processed your deferment application. This will prevent your account from becoming delinquent.

We apologize for any inconvenience this situation may cause you. If you have any questions, please contact our Direct Loan Servicing Center Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday. If you would prefer to write please direct your correspondence to:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

L118AV02

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Economic Hardship Deferment Request

Dear First name MI Last Name

Thank you for sending your request for an Economic Hardship deferment on your Direct Loan. We have reviewed your request and discovered that we are unable to process your request for the following reason(s):

[ ] Documentation of monthly income, education loan payment and/or tax returns were not received with your deferment request. Unfortunately, this means you will have to submit another form. Please return the completed form and the required documentation to us.

[ ] Signature of borrower is missing. Unfortunately, this means you will have to submit another form. Please return the completed form, signed by the borrower, to us.

[ ] Other ______________________________
____
____

We have enclosed an Economic Hardship Deferment form or a new form has been enclosed under separate cover, for your convenience. All areas on the form must be completed in order for us to process your request.

Please continue to make payments on your loan until we have processed your deferment application. This will prevent your account from becoming delinquent.

We apologize for any inconvenience this situation may cause you. If you have any questions, please contact our Direct Loan Servicing Center Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday. If you would prefer to write, please direct your correspondence to:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

L121AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Request for Deferment on Your Federal Direct Loan

Dear First name MI Last Name

Thanks very much for taking the time to contact us regarding your request for a deferment for your Federal Direct Student Loan. Unfortunately, we have no record of receiving a deferment request form from you, and request that you complete the enclosed form and return it to us.

We will notify you as soon as your deferment request is received and reviewed. Meanwhile, please continue to make regular payments on your loan in order to prevent your account from becoming delinquent.

We will be happy to answer any additional questions you may have. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

L245AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix J

Death and Total and Permanent Disability Letters

Direct Loans
William D. Ford Federal Direct Loan Program

School Name
Street Address1
Street Address2
City, State Code Zip Code

MM/DD/CCYY

RE: Student Name:__________________
Plus Borrower Name:__________________
ACCOUNT#: DLX999 999-99-9999-9

Dear Financial Aid Officer

We regret to inform you that PLUS BORROWER NAME, who was a Direct PLUS borrower, died on MM/DD/YY. We understand that the death of a parent is extremely difficult for the student and the student's family and that the family may not have contacted your school with this information.

Your institution must cancel any future scheduled disbursements to the deceased parent. Further, you may not disburse Direct PLUS funds for a deceased parent directly to the student on whose behalf this individual borrowed or to the student's account.

To help the student finance educational expenses, we recommend that the Financial Aid Administrator at your institution determine whether a surviving parent or guardian is eligible for a Direct PLUS loan. If there is no eligible parent or guardian, the Financial Aid Administrator may award an additional Unsubsidized Loan to the student.

If you have any questions, the Direct Loan Servicing Center School Relations Department is available to assist you from 8:00 AM to 8:30 PM eastern time, Monday through Friday. We can be reached, toll-free, at 1-800-848-0979.

Sincerely,

Linda Duncan
Manager, Collections
Ext. 6672
Direct Loan Servicing Center

DPLIPV02

Direct Loans
William D. Ford Federal Direct Loan Program

School Name
Street Address1
Street Address2
City, State Code Zip Code

MM/DD/CCYY

RE: Student Name:__________________
Plus Borrower Name:__________________
ACCOUNT#: DLX999 999-99-9999-9

Dear Financial Aid Officer:

We regret to inform you that PLUS BORROWER NAME, who was a PLUS borrower died on MM/DD/CCYY. According to our records, Direct PLUS funds in the amount of $9,999.99 were disbursed on MM/DD/CCYY. This disbursement occurred after the date of the parent's death. Your institution is required to return any Direct PLUS funds disbursed after the parent's death that were applied to and remain on the student's account. Under section 685.308 of the December 1, 1994 Direct Loan regulations, the Secretary may require the school to return funds that were disbursed to an ineligible borrower.

To return these funds, follow the instructions for canceling disbursements and returning excess cash as provided in The Reconciliation Guide for Direct Loans. Funds may be returned by check, ACH, or FEDWIRE.

Further, your institution must promptly notify the Department's Direct Loan Servicing Center of any amount of the disbursement made after the borrower was deceased that was given directly to the borrower or the student (this disbursement may have been in the form of cash or check or may have been transferred electronically to the borrower's or student's account). In accordance with section 685.211 of the December 1, 1994, Direct Loan regulations, the Department will send a 30-day demand letter to the borrower's estate for those funds that were disbursed directly to the borrower or student after the parent's death.

We understand that the death of a parent is extremely difficult for the student and the student's family. To help the student finance educational expenses, we recommend that the Financial Aid Administrator at your institution determine whether a surviving parent or guardian is eligible for a Direct PLUS loan. If there is no eligible parent or guardian, the Financial Aid Administrator may award an additional Unsubsidized Loan to the student.

Also, we understand that the parent's authorization on the Direct PLUS Loan promissory note to apply Direct PLUS Loan funds directly to the student's account increases the likelihood that a school may unknowingly disburse funds to a deceased borrower. Rather than establish a new requirement that would interfere with the timely delivery of loan funds or that would require schools to reconfirm the eligibility of all parents at the time of disbursement, the Department will notify schools on a case-by-case basis when it receives information that a parent's death has preceded a disbursement of funds.

Thank you for your cooperation in this matter. If you have any questions concerning the return of funds as excess cash, the Direct Loan Servicing Center School Relations Department is available to assist you from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday. We can be reached, toll-free, at 1-800-848-0979. If you have any questions concerning this policy, please contact Dottie Kingsley of the Direct Loan Policy Staff at (202) 708-9406.

Sincerely,

Linda Duncan
Manager, Collections
Ext. 6672
Direct Loan Servicing Center

DPL2PV01

Direct Loans
William D. Ford Federal Direct Loan Program

School Name
Street Address1
Street Address2
City, State Code Zip Code

MM/DD/CCYY

RE: Student Name:____________________

Borrower Name:____________________

ACCOUNT#: 999-99-9999-9

Dear Financial Aid Officer:

We regret to inform you that BORROWER NAME, who was a Direct LOAN TYPE Loan borrower, became permanently and totally disabled on MM/DD/CCYY. The entire amount of the borrower's loan is being discharged by the U.S. Department of Education because of the borrower's disability. Because this is an extremely difficult time for the student and the student's family, we realize they may not have contacted your school with this information.

If any undisbursed funds remain in the borrower's account, your institution may disburse those funds. Note that in order for this borrower to receive a subsequent loan, he or she must meet additional eligibility requirements. Please refer to Direct Loan regulations regarding borrower eligibility at 34 CFR 685.200(a)(iv).

If this is a Direct PLUS Loan being discharged and the student named above needs additional funds in the future to finance his or her education, your institution may determine whether another parent or guardian is eligible for a Direct PLUS Loan. If another parent or guardian is not eligible for a Direct PLUS Loan, the dependent student may be eligible for the higher unsubsidized loan limit.

If you have any questions regarding this letter, please call 1-800-848-0981 from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday.

Sincerely,

Linda Duncan
Manager, Collections
Ext. 6672
Direct Loan Servicing Center

DSB1AV02

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/CCYY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Physical Disability Cancellation

Dear First name MI Last Name

Thank you for taking the time to contact us regarding your questions about physical disability cancellations for Direct Loans.

According to the guidelines established for the William D. Ford Federal Direct Loan Program, a loan may be canceled if the borrower is totally and permanently disabled. "Total and permanent disability" is defined as the borrower's inability to work and earn money or attend school because of an injury or illness that is expected to continue indefinitely or result in death.

Receiving Social Security disability benefits does not automatically qualify a borrower for cancellation, nor would a condition that existed when the borrower received the loan unless the borrower's condition has substantially deteriorated to such an extent that the borrower is totally and permanently disabled.

If you believe you qualify for physical disability cancellation, your physician or a doctor of medicine or osteopathy who is legally authorized to practice, must certify your condition on the enclosed form. To give you time to have the form completed, certified, and mailed to us, we have granted a forbearance (a temporary suspension or extension of repayment) on your Direct Loan(s) for the period from MM/DD/CCYY through MM/DD/CCYY.

During this forbearance period, you will not have to make payments on principal, but interest will continue to accumulate. You will receive a bill for this interest each quarter, approximately 25 days prior to the date on which the interest becomes due. You are not required to pay these quarterly interest bills. If you do not pay them, all unpaid interest will be capitalized (added to your principal balance) and your balance will be larger than it was before your forbearance began. If your cancellation request is not approved, you remain responsible for the entire unpaid balance.

Sincerely,

Borrower Services Representative

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

To the family/estate of
First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999-9

RE: Loan Cancellation
Borrower's Name: ____________________
SSN: ____________________
Amount: ____________________

To the family or estate of ____________________________,

We were sorry to learn of the death of __Student/Borrower Name__. Please accept our condolences.

All loans for __Student/Borrower Name__ have been adjusted to a balance of zero.

We will be happy to answer any questions you may have about this matter or other issues regarding your Direct Loan. Simply give us a call at one of the numbers listed for the William D. Ford Direct Loan Servicing Center Borrower Services on the reverse side.

Sincerely,

Borrower Services Representative

L131AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

To the family of
First Name MI Last Name
Street Address
City, State Code Zip Code

ACCOUNT#: 999-99-9999-9

To the family or estate of ________________________,

We were sorry to learn of the death of __Student/Borrower Name__.

At your earliest convenience, please forward to us a copy of the death certificate to the address below. We will then be able to take all the steps necessary to have the U.S. Department of Education cancel all the borrowers' eligible loans.

If you have any questions, please contact our Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday.

Sincerely,

Borrower Services Representative

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

L154AV01

Appendix K

Electronic Debit Account Letters

Direct Loans
William D. Ford Federal Direct Loan Program

ELECTRONIC DEBIT ACCOUNT
APPLICATION ENCLOSED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx

Reason for Notice

Enclosed is a Direct Loan Electronic Debit Account (EDA) brochure.

Action You May Take

IF you want your monthly Direct Loan payments deducted automatically from your bank account...

THEN please complete and sign the application portion of the EDA brochure and return it--along with a voided check from your bank account--to the Servicing Center address shown on the back of this Notice. Do not use white out on or otherwise alter the application or it will be invalid.

Important

Once you submit the EDA application, please continue to make regular monthly payments by mail until we approve your request and notify you of the date you can expect your electronic debits to start.

Questions? If so, please call our toll-free telephone number shown on the back of this Notice.

AC08AV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

ELECTRONIC DEBIT ACCOUNT

UNABLE TO PROCESS REQUEST

____
____
____
____

____
(MM/DD/CCYY)

ACCOUNT#: ____________________

Reason for Notice

Thank you for your Direct Loan Electronic Debit Account (EDA) request. Unfortunately, we cannot process your request at this time because:

☐ **Signature Missing.** Sign the application.

☐ **Account Number Invalid/Missing.** Provide the full correct number.

☐ **Voided Check Missing or Damaged.** We need a voided check.

☐ **Application Damaged.** We cannot read your application.

☐ **Application Altered.** Application cannot have white out or crossouts.

☐ Other: ____________________

____

Action You May Take

IF you want us to continue processing your EDA request **and**

- If your original application is enclosed—please provide the information requested above and sign and date the application again.
- If an application is not enclosed—you should receive a new one under separate cover. Once you receive it, complete the new application in its entirety.

THEN submit the application—and a voided check from your bank account—to the address shown at the bottom of this Notice.

Important

At this time, please continue to *mail* us your regular payments with the monthly coupon from either your coupon book or the bottom of your monthly billing statement. Questions? Call our toll-free number: **1-800-848-0979**.

AC01AV03

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education • P.O. Box 4609, Utica, NY 13504-4609

Direct Loans
William D. Ford Federal Direct Loan Program

ELECTRONIC DEBIT ACCOUNT

PAYMENT FAILED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx

Reason for Notice

Your last Electronic Debit Account (EDA) payment on this Direct Loan account failed as noted below:

☐ **1 - EDA Payment Amount Returned Unpaid by Bank - First Occurrence.** Please contact your bank immediately to ensure that a failure does not occur again.

☐ **2 - EDA Payment Amount Returned Unpaid by Bank - Second Occurrence.**

Action You Must Take

Send payment immediately if you have not done so for the $999,999.99 amount due MM/DD/CCYY, which includes a Returned Item Fee charge of $99. If you do not pay the total by check or money order, your account will be delinquent.

IF REASON 1 IS CHECKED

We will continue automatic debiting for your next scheduled payment. However, if another EDA payment fails within the next 12 months, we will return this account to regular monthly billing and you will not be eligible for electronic debits.

IF REASON 2 IS CHECKED

We have returned your account to regular monthly billing, which requires that you mail us a payment each month.

Be sure to write your account number on the check or money order. Send payments to:

U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

Questions?

Questions? If so, please call our toll-free telephone number on the back of this Notice.

AC02AV04

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

ELECTRONIC DEBIT APPLICATION
DENIED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx

Reason for Notice

We must deny your Electronic Debit Account (EDA) request at this time because:

- ☐ **Delinquency.** Your Direct Loan Account is 210 days or more delinquent, which makes you ineligible for electronic debiting.
- ☐ **Loan Paid in Full or Discharged.** You repaid your Direct Loan in full or we discharged it.
- ☐ **Account Number Problem.** Your bank notified us that the account number is invalid or the account is closed.
- ☐ **Debits Not Allowed.** Your bank indicated that you instructed them not to honor electronic debit activity.
- ☐ **EFT Not Honored.** Banks outside the United States and some U.S. banks do not participate in Electronic Funds Transfer (EFT) services.
- ☐ **Unable to Debit - No Reason Given.** Your bank is unable to process automatic withdrawals from your account; no reason given.
- ☐ Other: ______________________________

Action You May Take

IF you want to submit another request for EDA and you remedy the problem noted above

THEN complete the new application enclosed and submit it—with a voided check from your bank—to the address shown on the back of this Notice.

Important

At this time, please continue to *mail* us your regular payments with the monthly coupon from either your coupon book or the bottom of your monthly billing statement. Questions? If so, please call our toll-free telephone number shown on the back of this Notice.

AC03AV03

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

ELECTRONIC DEBIT ACCOUNT

DEBITS STOPPED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx

Reason for Notice

As you requested, we have stopped electronic debiting. *We will no longer debit your bank account* for your Direct Loan monthly payment.

Action You Must Take

If your monthly due date this month occurs after the date of this Notice, please send a check or money order for this month's payment to the following address:

U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

You may not receive a billing statement for this payment. *Mail* subsequent payments with the monthly coupon from either your coupon book or the bottom of your monthly billing statement. The Payment Center address will appear on your billing statements or coupon book. Make sure you write your social security number (SSN) on each check or money order.

Questions?

Questions? If so, please call our toll-free telephone number shown on the back of this Notice.

AC04AV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

ELECTRONIC DEBIT ACCOUNT

REQUESTING CHANGES

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx

Reason for Notice

Thank you for notifying us that you want to make changes to your Direct Loan Electronic Debit Account (EDA). As of the date of this Notice, we are no longer deducting your payment from your bank account. You may also receive an Electronic Debit Account - Debits Stopped Notice.

Action To Take

1. To process the change you requested, we need a new EDA application from you. Please complete and sign the enclosed application and mail it—with a voided check from your bank account—to the Servicing Center address shown on the back of this Notice. Do not use white out on the application or otherwise change it, or it will be invalid.

2. If your monthly due date this month occurs after the date of this Notice, you may not receive a billing statement for this month. Please send a check or money order for this month's payment to the following address:

   U.S. Department of Education
   P.O. Box 746000
   Atlanta, GA 30374-6000

   Until we receive new EDA account information from you and process it, please *mail* your payments with the monthly coupon from either your coupon book or the bottom of your monthly billing statements. Make sure you write your social security number (SSN) on each check or money order. The address to mail payments will appear on your coupon book or billing statements.

Important

If your new EDA application is complete and we place your account(s) on EDA again, we will send you a Confirmation Notice.

If you have any questions, please call our toll-free telephone number shown on the back of this Notice.

AC07AV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

ELECTRONIC DEBIT ACCOUNT CONFIRMATION NOTICE

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx

Reason for Notice

We approved your recent Electronic Debit Account (EDA) application.

We will begin automatically deducting your monthly Direct Loan payments from your bank account on MM/DD/CCYY.

The payment amount we will deduct from your bank account each month is: $999,999.99.

Action You Should Take

Immediately following the effective date noted above, please check with your bank to ensure the first payment has been deducted.

☐ **If this box is checked,** your account is delinquent in the amount of $999,999.99. Please pay this amount via check or money order in full or contact us immediately at the toll-free telephone number shown on the back of this Notice to discuss options that will resolve this delinquency. We will debit your bank account only for your regularly scheduled monthly payment amount—*not for any delinquent amounts*.

Important

If you want to stop EDA or change your bank or account information at anytime, contact us before you close or change your account to avoid failed payments and late charges/fees that may result. You can either write to the Servicing Center address shown on the back of this Notice or call us at the toll-free telephone number shown on the back.

If you submit a request to stop EDA or change your banking information, we will continue to debit your current account until we notify you otherwise. Please be aware that we need 30 days notice to discontinue or change electronic debiting.

Questions? If so, please call us at our toll-free telephone number.

ACH1AV03

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/CCYY

First Name MI Last Name
Address First Line
Address Second Line
City, State Zip Code

Account Number: 999-99-9999

Dear First Name MI Last Name:

Your application for the Electronic Debit Account (EDA) program has been received and activated. However, it has come to our attention that during this billing cycle a payment was deducted directly from your checking account before we could notify you of this action. In your case, we discovered that you were assessed charges by your banking institution for not having sufficient funds in your checking account. We have enclosed a check for reimbursement of the charges you incurred as a result of this action.

Future payments will be automatically deducted from your checking account on your due date each month. If your due date is not a business day, your payment will be deducted on the following business day.

If you have further questions, please contact us. Our telephone number and address are located on the reverse side of this letter.

Sincerely,

Borrower Services Department
Direct Loan Servicing Center

EDA2AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix L

Returned Check Letters

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF CHECK BEING RETURNED

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/CCYY
Account#: xxx-xx-xxxx-x

Dear First Name MI Last Name

RE: *Check Cannot Be Processed*
Check #: xxxxx Dated: MM/DD/CCYY Amount: $999,999.99

The enclosed check is being returned to you for the following reason(s):

☐ Check illegible. Please provide a readable check and indicate on it the account/social security number (SSN) and/or full name under which the loan was granted.

☐ Check cannot be identified. The account cannot be located under the given name and/or SSN. Please write on the check the full name and SSN under which the loan was granted.

☐ Check was damaged in transit to the Payment Center. Please issue a new check. Provide the account/SSN and full name under which the loan was granted on the check.

☐ Misdirected check. The check was made payable to NAME ON CHECK. Please provide a new check made payable to the U.S. Department of Education and including the full name and SSN under which the loan was granted.

☐ Other

____

____

To ensure timely payment processing, please enclose your coupon (if available), write your account number on your check, and mail to:

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 746000
Atlanta, GA 30374-6000

If you have any questions, contact us at the address or telephone number on the back of this Notice.

Sincerely,

Payment Center Representative
Direct Loan Servicing Center

L126AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct
Loans
William D. Ford Federal Direct Loan Program

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY

ACCOUNT#: 999-99-9999-9

RE: Returned Check
Check #__________________
Dated __________________
Amt __________________

Dear First name MI Last Name

The enclosed check has been returned by your financial institution for the following reason:

☐ Insufficient funds

☐ Payment Stopped

☐ Account Closed

☐ Refer to Maker

☐ Unable to Identify Bank of First Deposit

☐ Other: ____

Your Direct Loan account has been debited for the payment amount of $99999.99 plus associated processing fees in the amount of $99999.99. Your account may now be delinquent. Please remit a check in the amount of $99999.99 to the address listed below to bring your account current.

To insure timely payment processing write your account number on your check, and mail to:

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 746000
Atlanta, GA 30374-6000

We will be happy to answer any questions you may have about this matter or other issues regarding your Direct Loan. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services on the reverse side.

L128AV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Unemployment Deferment Request

Dear First name MI Last Name

Thank you for sending your request for an Unemployment deferment on your Direct Loan. We have reviewed your request and discovered that we are unable to process your request for the following reason(s);

☐ The date you became unemployed is missing.

☐ Name, complete address, and/or phone number of employment agency is missing.

☐ The date of registration with an employment agency is missing. You do not have to be collecting unemployment benefits to register with an employment agency.

☐ Names of firms to which you have applied, their complete addresses, and/or telephone number are missing.

☐ You have already exhausted the maximum 36 months of unemployment deferment. Please contact us immediately to set up a repayment plan. With an income contingent repayment plan, your payment will be tied to your income.

☐ Your signature is missing.

☐ School placement offices and temporary agencies do not qualify as employment agencies.

☐ Your form is enclosed. Please make the necessary changes as described above and return the form immediately to the address below.

☐ A new form has been sent under separate cover. Please complete and return the form.

☐ Other ______________________________
____

Please continue to make payments on your loan until we have processed your deferment application. This will prevent your account from becoming delinquent.

We apologize for any inconvenience this situation may cause you. If you have any questions, please contact our Direct Loan Servicing Center Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday. If you would prefer to write please direct your correspondence to:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

L125AV01

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF REFUND CHECK

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

Dear First Name MI Last Name

RE: *Refund Check*
Check #: xxxxxx Dated: MM/DD/CCYY Amount: $999,999.99

The check identified above was received by the Direct Loan Payment Center on MM/DD/CCYY. We are returning funds to you by means of a United States Treasury Check in the amount of $999,999.99, which you should receive within the next 45 days. The reason we are sending you a refund check is:

☐ We have no record of an account in your name or under the account number you provided. We are returning the full amount of your payment to you. If you intended to make a payment on a Direct Loan, please resubmit your payment, with the full name of the borrower and correct account number on the check to:

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 746000
Atlanta, GA 30374-6000

☐ We received a cancellation record for your loan from the school. We are returning the payments made on your loan before it was canceled. If the cancellation of your loan was in error or you feel this action is incorrect, please contact us immediately at 1-800-848-0979. If you receive a refund and the loan is later reinstated, you will be asked to return the funds.

☐ Your account is paid in full. We are returning to you the amount you overpaid.

☐ We closed the account of Borrower's Name due to the person's death. Payments made on his/her behalf after the date of death are being returned to you.

☐ We have closed the account of Borrower's Name due to an approved Certification of Permanent and Total Disability. We are returning payments, which you made after the effective date of this certification.

☐ **Other**: ______________________________

____

If you have any questions, please contact us at the address or toll-free telephone number on the back.

Sincerely,

Payment Center Representative
Direct Loan Servicing Center

L129AV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix M

Income Contingent Repayment Plan Letters

Direct Loans
William D. Ford Federal Direct Loan Program

FINAL DEMAND NOTICE

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address1
Street Address2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

REASON FOR THIS NOTICE

Because you are required to repay your Direct Consolidation Loan under the Income Contingent Repayment (ICR) Plan as a condition of receiving this loan, you and your spouse are *required* to submit Alternative Documentation of Income when requested. (This information is used to calculate your monthly payment amount for your Direct Consolidation Loan.)

We requested this information from you, but did not receive it. Because you have failed to provide us with the income information necessary to process your loan under the ICR Plan, you have failed to comply with the conditions of your loan. Therefore, you must pay your Direct Consolidation Loan in full immediately.

ACTION REQUIRED BY YOU

- **You must pay your Direct Consolidation Loan(s) in full to be received by us within 30 days of the postmark of this Notice.** Amount due is shown below.

Principal Balance Due:	$99999.99
Interest Due:	$9999.99
TOTAL DUE:	$99999.99

Send check or money order (with your account number written on it) for the total to:

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 746000, Atlanta, GA 30374-6000

CONSEQUENCES

THIS IS YOUR LAST CHANCE TO AVOID DEFAULT. Failure to send the entire unpaid balance of your Direct Consolidation Loan at this time will put your loan in default:

- Your loan will be transferred to the U.S. Department of Education Debt Collection Service (DCS) and you will be charged collection costs.
- You will be ineligible for federal student financial assistance and for some other federal benefits programs.
- Your credit rating will be damaged.
- Your wages may be garnished.
- Your federal income tax refunds may be withheld.
- The U.S. Department of Justice may take legal action against you.

IMPORTANT

If you have any questions, please call the toll-free telephone number on the back of this Notice.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

NOTICE OF INCOMPLETE OR MISSING FORMS

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

We are unable to process your loan payments under the Income Contingent Repayment (ICR) Plan for the following reason(s):

☐ Consent to Disclosure of Tax Information form missing or incomplete
☐ Alternative Documentation of Income form missing or incomplete
☐ Supporting documentation of current income missing, incomplete, or outdated (must be dated within the past 90 days)
☐ Signature of borrower and/or spouse missing or invalid (i.e., altered, signature in pencil)
☐ Signature outdated (must be dated within past 60 days)
☐ Document illegible - Please print/write legibly
☐ Spousal information required, but not included
☐ Repayment Plan Selection form incomplete
☐ Comments:____

____

ACTION REQUIRED BY YOU

Either enclosed here or under separate cover are your form(s) to correct and/or new form(s) to complete. These forms must be received **WITHIN THE NEXT 30 DAYS at the** Direct Loan Servicing Center, P.O. Box 4609 Utica, New York 13504-4609. Our toll-free number is 1-800-848-0979 (1-800-848-0983 for the hearing impaired).

CONSEQUENCES

The following table describes what will occur if you fail to return these forms. Outcome is based on current Repayment Plan. Your current Repayment Plan is: BBBBBBBBB

IF YOUR CURRENT REPAYMENT PLAN IS:		FAILURE TO COMPLY MEANS:
ICR and ...	you are not required to repay your loan(s) under ICR	Placement on Standard Plan
	you are required to repay under ICR as a condition of receiving a Direct Consolidation Loan	Full repayment of your loan may be due immediately
Standard, **Graduated**, or **Extended**		No change - you will remain on your current plan

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ICR1AV03

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF INTEREST-ONLY PAYMENTS

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

We are waiting to receive your income information, which we have requested from either you (as described below) or the Internal Revenue Service (IRS), so we can calculate your monthly payment amount for your Direct Loan(s) under the Income Contingent Repayment (ICR) Plan.

Until we receive your income information, your monthly payment amount will be equal to the amount of interest that accumulates on your account each month. Your first interest payment, due MM/DD/YY, is in the amount of $999.99.

ACTION REQUIRED BY YOU

1. You will receive billing statements for these interest-only payments. **SEND US THE AMOUNT DUE BY THE DUE DATE ON THE STATEMENTS.** If you cannot pay this amount, call the toll-free telephone number on the back of this Notice and ask about Forbearance or Deferment.
2. If we:
    - previously notified you that you (and your spouse) are required to submit Alternative Documentation of Income and you have not already done so, you must submit this to us immediately.
    - did not request Alternative Documentation of Income from you (and your spouse), no further action is required from you at this time. (However, if you feel your IRS-reported Adjusted Gross Income (AGI) does not accurately reflect your current income, please call our toll-free telephone number on the back of this Notice.)

CONSEQUENCES

Failure to pay (unless in Forbearance or Deferment) will result in your Direct Loan(s) being delinquent and eventually in default. Failure to provide income information when requested will result in your removal from the ICR Plan.

IMPORTANT

When we receive your income information, we will calculate your monthly payment amount and notify you. We will inform you of estimated monthly payment amounts for the same loan(s) under other repayment plans. Unless you are required to repay under ICR as a condition of receiving a Direct Consolidation Loan, you can change repayment plans anytime simply by calling our toll-free number.

If you have questions, please call our toll-free telephone number.

ICR2AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/CCYY

ACCOUNT#: 999-99-9999

First Name MI Last Name
Street Address1
Street Address2
City, State Code Zip Code

Dear First name MI Last Name

We have received your request for Income Contingent Repayment. Unfortunately, we are unable to continue processing this request at this time. The Internal Revenue Service has determined your Consent to Disclosure of Tax Information form contains incorrect information or is not completed properly.

We have placed your request on hold and are providing a new form for you to complete and submit. We have also enclosed a copy of your original Consent to Disclosure form to assist you in correctly completing the new form.

If you would like us to continue processing your request, please return the new form in the enclosed envelope by MM/DD/YY.

We apologize for any inconvenience this situation may cause you, and we will be happy to answer any additional questions you may have. Please feel free to call us at 1-800-848-0979. Hearing impaired borrowers please call 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday. If you would prefer to write, please direct your correspondence to:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Sincerely,

Borrower Services Representative

Enclosure: Consent to Disclosure of Tax Information Form

ICR3AV01

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE REQUESTING FORMS FROM BORROWER

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

We have received your request for the Income Contingent Repayment (ICR) Plan as your repayment plan for your Direct Loan(s). In order to process your request and place your loan(s) on the ICR Plan, we must ask you to submit additional information at this time.

ACTION REQUIRED BY YOU

You (and your spouse) must complete, sign, and mail the following forms to the address on the back of this Notice. We must receive these forms **WITHIN 30 DAYS** of the date of this request:

- Internal Revenue Service (IRS) Consent to Disclosure of Tax Information form
- Alternative Documentation of Income form (include supporting materials as described on the form)

CONSEQUENCES

If you do not return these forms, you will be assigned to the Standard Repayment Plan.

IMPORTANT

If we receive your forms and verify that they are complete, we will assign your loan(s) to the ICR Plan. We will use your income information to compute a monthly payment amount for your loan(s) and send you a Disclosure. The Disclosure will show your monthly payment amount under the ICR Plan and estimated amounts for the same loan(s) under other repayment plans. Unless you are required to repay your loan(s) under ICR as a condition of receiving a Direct Consolidation Loan, you can change repayment plans anytime simply by calling our toll-free number.

If you have questions, please call the toll-free telephone number on the back of this Notice.

ICR6AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

LETTER TO BORROWER WHO REQUESTS INFORMATION ON THE INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR LETTER

Enclosed is information on the Income Contingent Repayment (ICR) Plan. The Repayment Plan Choices Information Sheet compares payment plans, including the ICR Plan. (Please note that Direct PLUS and Direct PLUS Consolidation Loans are ineligible for the ICR Plan.)

ACTION REQUIRED BY YOU

To change to the ICR Plan, you (and your spouse) must complete, sign, and mail the enclosed forms to the address on the back of this Notice:

- Repayment Plan Selection form
- Internal Revenue Service (IRS) Consent to Disclosure of Tax Information form
- Alternative Documentation of Income form and required income documentation, unless you entered repayment before July 2, 1995. If you entered repayment before July 2, 1995, only complete this form if your AGI as reported on your most recent income tax return does not accurately reflect your current income.

Continue to pay the amount due on your monthly billing statement. (If you cannot pay this amount, call our toll-free telephone number on the back and ask about Forbearance or Deferment.)

IMPORTANT

Once we receive your Repayment Plan Selection form and IRS Consent to Disclosure of Tax Information form, we will change your repayment plan to the ICR Plan. You will be assigned a monthly payment amount equal to the monthly interest that accrues on your loan(s) until we receive your income information. If we do not receive your income information, your repayment plan will be changed back to your current repayment plan.

We will use your income information to compute a new monthly payment amount for your loan(s) and send you a Disclosure. The Disclosure will show your monthly payment amount under the ICR Plan and estimated amounts for the same loan(s) under other repayment plans. Unless you are required to repay your loan(s) under ICR as a condition of receiving a Direct Consolidation Loan, you can change repayment plans anytime simply by calling our toll-free number.

If you have questions, please call the toll-free telephone number on the back.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

REQUEST FOR INCOME - DIRECT CONSOLIDATION LOANS

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/CCYY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

Because you selected or are required to repay your Direct Consolidation Loan under the Income Contingent Repayment (ICR) Plan and because you have been in repayment two years or less, you must provide additional income information at this time. This income information is required to calculate your monthly payment amount under the ICR Plan.

ACTION REQUIRED BY YOU

Per federal requirements, you (and your spouse) must complete, sign, and mail the enclosed *Alternative Documentation of Income* form and include all required supporting documentation. The Direct Loan Servicing Center (address on the back) must receive it **WITHIN 60 DAYS OF THE DATE OF THE POSTMARK OF THIS REQUEST**.

EXPECTED OUTCOMES

IF WE...	YOUR...
Send you a Billing Statement before we receive your income information	Monthly payment will be equal to the amount of interest that accrues monthly on your loan until we can compute your regular monthly payment. If you cannot afford the interest payments, call the Direct Loan Servicing Center at the toll-free number on the back and ask about Deferment or Forbearance, which can suspend loan payments.
Receive your satisfactorily completed form within 60 days	Payment amount (under the ICR Plan) will be computed and you will receive a billing statement for this amount.
Do not receive your satisfactorily completed form within 60 days	Loan will be removed from the ICR Plan. If you are required to repay a Direct Consolidation Loan under ICR, you may be required to repay your Direct Consolidation Loan in full immediately.

IMPORTANT

Questions? Please call the toll-free telephone number on the back. If you experience income or family changes that make it difficult to make a monthly payment, please call us and ask about 1) counseling, 2) other repayment plans, or 3) Deferment or Forbearance.

ICRYAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

REQUEST FOR DOCUMENTATION OF CURRENT INCOME

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR REQUEST

Per federal requirements and your written consent, we submitted your Name and Social Security Number (SSN) to the Internal Revenue Service (IRS) to obtain your Adjusted Gross Income (AGI) information. Each year, this AGI is used to compute your monthly repayment amount under the Income Contingent Repayment (ICR) Plan for your Direct Loan(s). This year, the IRS was unable to provide us with AGI on which to base your monthly payments, so you must submit documentation of your current income in order to continue repaying your Direct Loan(s) under ICR.

SSN SUBMITTED:	xxx-xx-xxxx
NAME SUBMITTED:	Last Name, First Name MI
DATE IRS SOLICITED:	MM/DD/YY
DATE IRS RESPONSE:	MM/DD/YY
IRS RESPONSE:	No AGI is currently available for required time period

ACTION REQUIRED BY YOU

At this time, you (and your spouse, if you selected joint repayment) must complete, sign, and mail the enclosed Alternative Documentation of Income form to the address on the back of this Request.

- **WE MUST RECEIVE THE FORM AND ALL REQUIRED ACCOMPANYING DOCUMENTATION WITHIN 30 DAYS OF THE DATE OF THIS REQUEST.**

In addition, if the name or SSN submitted to IRS on your behalf (shown above) is in error, please contact the Servicing Center at the telephone number on the back.

CONSEQUENCES

Failure to comply will result in you being removed from the ICR Plan.

IMPORTANT

Until a monthly ICR payment amount is calculated, continue to send us the amount due on your monthly billing statement. If you cannot pay this amount, call the toll-free telephone number on the back and ask about Forbearance or Deferment. We are always happy to answer any questions you have about your loan and its repayment. Thank you very much!

ICRBAV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

AMORTIZATION ESTIMATE

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Current Repayment Plan: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Reason for Notice

Thank you for your inquiry regarding an amortization estimate for repaying your Direct Loan(s) under the Income Contingent Repayment (ICR) plan.

The figures we provide below for ICR plan amortization are only estimates. Actual amounts may differ. To **estimate** your payments under the various ICR options, we used your (1) loan amount, (2) adjusted gross income and (3) family size. To estimate your total repaid amount, we assumed your annual income will increase by 5 percent each year.

Amortization Estimate

Adjusted Gross Income $0
Family Size X

Repayment Plan	Loan Amount	# Of Pmts	Initial Payment	Total Interest	Total Repaid
ICR1*	$999,999.00	111	$1,256.22	$111,111.00	$111,111.00
ICR2*	$999,999.00	111	$1,256.22	$111,111.00	$111,111.00
ICR3*	$999,999.00	111	$1,256.22	$111,111.00	$111,111.00

* Note that borrowers cannot repay Direct PLUS or Direct PLUS Consolidation Loans under the ICR plan. **Please be aware that if you have PLUS and Student Loans, any ICR amounts shown above reflect the Student Loans only.**

Action Required by You

We require no action from you at this time. We are providing this Notice for your information only. You may want to refer to the enclosed information regarding all your repayment plan options.

Questions?

If you wish to change your current repayment plan or you have questions, please write to us at the address shown on the back of this Notice or call us at the toll-free telephone number on the back.

ICRDAV03

261

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

REQUEST FOR DOCUMENTATION OF CURRENT INCOME

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR REQUEST

Per federal requirements and your written consent, we submitted the following name(s) and Social Security Number(s) (SSN) to the Internal Revenue Service (IRS) to obtain Adjusted Gross Income (AGI) information. Each year, this AGI is used to compute a monthly payment amount under the Income Contingent Repayment (ICR) Plan for your Direct Loan(s). This year, the IRS was unable to provide us with AGI on which to base your monthly payments, so you (and your spouse) must submit documentation of current income in order to continue repaying your Direct Loan(s) under ICR.

SSN SUBMITTED:	xxx-xx-xxxx
NAME SUBMITTED:	Last Name, First Name MI
SPOUSE'S SSN SUBMITTED:	xxx-xx-xxxx
SPOUSE'S NAME SUBMITTED:	Last Name, First Name MI
DATE IRS SOLICITED:	MM/DD/YY
DATE IRS RESPONSE:	MM/DD/YY
IRS RESPONSE:	No AGI is currently available for required time period

ACTION REQUIRED BY YOU

At this time, you (and your spouse) must complete, sign, and mail the enclosed Alternative Documentation of Income form to the address on the back of this Request.

- **WE MUST RECEIVE THE FORM AND ALL REQUIRED ACCOMPANYING DOCUMENTATION WITHIN 30 DAYS OF THE DATE OF THIS REQUEST.**

In addition, if the name(s) and/or SSN(s) submitted to IRS on your behalf (shown above) are in error, please call the toll-free telephone number on the back of this Request.

CONSEQUENCES

Failure to comply will result in you being removed from the ICR Plan.

IMPORTANT

Until a monthly ICR payment amount is calculated, continue to send us the amount due on your monthly billing statement. If you cannot pay this amount, call the toll-free telephone number on the back and ask about Forbearance or Deferment. We are always happy to answer any questions you have about your loan and its repayment. Thank you very much!

ICRIAV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

DENIAL OF JOINT REPAYMENT

INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

Both you and your spouse have Direct Loans that you elected to repay jointly under the Income Contingent Repayment (ICR) Plan. However, under your ICR plan, spouses cannot repay their loans jointly unless they file a joint tax return. Internal Revenue Service (IRS) records show you and your spouse file separate returns. We are therefore assigning your loan(s) to separate repayment. Only your individual Adjusted Gross Income (AGI) and debt will be used to compute the monthly payment amount for your loan(s) under the ICR Plan. Similarly, only your spouse's income and debt will be used to calculate the monthly payment amount on his/her loan(s).

The following information was submitted to the IRS; the IRS response is also noted.

SSN SUBMITTED:	xxx-xx-xxxx
NAME SUBMITTED:	First Name MI Last Name
DATE IRS SOLICITED:	MM/DD/YY
DATE IRS RESPONDED:	MM/DD/YY
IRS RESPONSE:	Spouses Filed Taxes Separately
TAX YEAR:	19XX

ACTION REQUIRED BY YOU

No action is required.

There is an ICR Plan that allows you and your spouse to repay jointly even if you filed separate tax returns. If you want more information on this plan or other repayment plans, call the toll-free telephone number on the back of this Notice.

In addition, if the name or SSN submitted to IRS on your behalf (shown above) is in error, please call our toll-free telephone number.

IMPORTANT

We received your income information from the IRS and are computing your monthly payment amount based on your income. You will receive a Disclosure stating the new payment amount. Until then, continue to send us the amount due on your monthly billing statement. If you cannot pay this amount, call the toll-free telephone number on the back and ask about Forbearance or Deferment. We are always happy to answer any questions you have about your loan. Thank you very much!

ICRKAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

DEFAULTED LOAN

NOTICE OF REQUIREMENT TO REPAY UNDER POST-JULY 1996 INCOME CONTINGENT PLAN

Reason for Notice

Our records show your Direct Consolidation Loan(s) as being incorrectly placed on the Standard, Graduated, or Extended repayment plan. If you return the enclosed Income Contingent Repayment (ICR) plan forms as stated below, we will take your loan out of default.

Because one or more of your loans was in default at the time you consolidated, federal regulations require that you repay your Direct Consolidation Loan(s) under the ICR plan. The ICR plan bases the amount of your monthly payments on your annual income and total amount of your Direct Loan(s).

Action Required By You

Please complete the enclosed forms listed below and return them to the address on the reverse side. **We must receive the forms and all required accompanying documentation within 30 days of the date of this Request.**

- **Repayment Plan Selection form** - *Complete, sign, and date the form. Be sure to select the "Income Contingent Repayment Plan" and provide family size information. A copy of the* ***Repayment Plan Choices Information Sheet,*** *which explains how the ICR plan works, is enclosed for your information.*
- **Income Contingent Repayment Plan Consent to Disclosure of Tax Information form** - *Complete this form even if you have submitted one previously. This document is time sensitive.*
- **Alternative Documentation of Income form (and supporting materials) -** *You are only required to complete this form if you entered repayment on or after July 2, 1995 on at least one of the loans that you consolidated. Otherwise, you may choose to complete the form if your Adjusted Gross Income (AGI) as reported on your most recent tax return does not accurately reflect your current income.*

Consequences

If we do not receive the required documentation within 30 days so we can switch your Direct Consolidation Loan(s) to the correct repayment plan, your loan will remain in default.

Important

You may change from the ICR plan to another repayment plan after you have made three consecutive monthly payments in the prior three months under the ICR plan. If you need more information, you may contact us at our toll-free telephone number shown on this Notice.

ICRTAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF OPPORTUNITY TO REPAY UNDER PRE-JULY 1996 INCOME CONTINGENT PLAN

Reason for Notice

Our records show that you are repaying your Direct Consolidation Loan(s) under the Income Contingent Repayment (ICR) plan.

Prior to July 1996, two additional methods for calculating monthly payments were available under the ICR plan than are available today. However, at this time, you have the opportunity to select one of these other calculation methods if you want.

This is your only opportunity to select one of these other methods.

Action Required By You

If you want to switch to one of the other ICR calculation methods, please complete the enclosed forms listed below and return them to the address on the reverse side. **We must receive the forms within 30 days of the date of this Request.**

- **Income Contingent Repayment Plan Selection form** - *Complete, sign, and date the form. Refer to the enclosed* ***Direct Loans 1995-96 Repayment Book*** *for an explanation of your other ICR options.*
- **Income Contingent Repayment Plan Consent to Disclosure of Tax Information form** - *Complete this form even if you have submitted one previously. This document is time sensitive.*

Consequences

If we do not receive these forms from you within 30 days, we will continue to use your current calculation method under the ICR plan. You will no longer have the option to switch to one of these other methods.

Questions?

Questions? Please call us at our toll-free telephone number shown on this Notice.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF REQUIREMENT TO REPAY UNDER PRE-JULY 1996 INCOME CONTINGENT PLAN

Reason for Notice

Our records show your Direct Consolidation Loan(s) as being incorrectly placed on the Standard, Graduated, or Extended repayment plan.

Because one or more of your loans was in default at the time you consolidated, federal regulations require that you repay your Direct Consolidation Loan(s) under the Income Contingent Repayment (ICR) plan. The ICR plan bases the amount of your monthly payments on your annual income and total amount of your Direct Loan(s).

Your account is being placed in temporary suspension while we resolve this situation. During the suspension, all collection activity on the loan(s) will cease and you will *not* be required to make a scheduled payment. However, interest will continue to accrue on your loan.

Action Required By You

Please complete the enclosed forms listed below and return them to the address on the reverse side. **We must receive the forms within 30 days of the date of this Request.**

- **Income Contingent Repayment Plan Selection form** - *Complete, sign, and date the form. Refer to the enclosed* ***Direct Loans 1995-96 Repayment Book*** *for an explanation of your ICR options.*
- **Income Contingent Repayment Plan Consent to Disclosure of Tax Information form** - *Complete this form even if you have submitted one previously. This document is time sensitive.*

Consequences

If we do not receive the required documentation within 30 days so we can switch your Direct Consolidation Loan(s) to the correct repayment plan, you will be in violation of the terms of your Promissory Note. Your loan could even default as a result, which would seriously affect your credit rating and your ability to get other loans.

Important

You may change from the ICR plan to another repayment plan after you have made three consecutive monthly payments in the prior three months under the ICR plan. If you need more information, you may contact us at our toll-free telephone number shown on this Notice.

ICRVAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF REQUIREMENT TO REPAY UNDER POST-JULY 1996 INCOME CONTINGENT PLAN

Reason for Notice

Our records show your Direct Consolidation Loan(s) as being incorrectly placed on the Standard, Graduated, or Extended repayment plan.

Because one or more of your loans was in default at the time you consolidated, federal regulations require that you repay your Direct Consolidation Loan(s) under the Income Contingent Repayment (ICR) plan. The ICR plan bases the amount of your monthly payments on your annual income and total amount of your Direct Loan(s).

Your account is being placed in temporary suspension while we resolve this situation. During the suspension, all collection activity on the loan(s) will cease and you will *not* be required to make a scheduled payment. However, interest will continue to accrue on your loan.

Action Required By You

Please complete the enclosed forms listed below and return them to the address on the reverse side. **We must receive the forms and all required accompanying documentation within 30 days of the date of this Request.**

- **Repayment Plan Selection form** - *Complete, sign, and date the form. Be sure to select the "Income Contingent Repayment Plan" and provide family size information. A copy of the* ***Repayment Plan Choices Information Sheet,*** *which explains how the ICR plan works, is enclosed for your information.*
- **Income Contingent Repayment Plan Consent to Disclosure of Tax Information form** - *Complete this form even if you have submitted one previously. This document is time sensitive.*
- **Alternative Documentation of Income form (and supporting materials)** - *You are only required to complete this form if you entered repayment on or after July 2, 1995 on at least one of the loans that you consolidated. Otherwise, you may choose to complete the form if your Adjusted Gross Income (AGI) as reported on your most recent tax return does not accurately reflect your current income.*

Consequences

If we do not receive the required documentation within 30 days so we can switch your Direct Consolidation Loan(s) to the correct repayment plan, you will be in violation of the terms of your Promissory Note. Your loan could even default as a result, which would seriously affect your credit rating and your ability to get other loans.

Important

You may change from the ICR plan to another repayment plan after you have made three consecutive monthly payments in the prior three months under the ICR plan. If you need more information, you may contact us at our toll-free telephone number shown on this Notice.

ICRWAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

DEFAULTED LOAN

NOTICE OF REQUIREMENT TO REPAY UNDER PRE-JULY 1996 INCOME CONTINGENT PLAN

Reason for Notice

Our records show your Direct Consolidation Loan(s) as being incorrectly placed on the Standard, Graduated, or Extended repayment plan. If you return the enclosed Income Contingent Repayment (ICR) plan forms as stated below, we will take your loan out of default.

Because one or more of your loans was in default at the time you consolidated, federal regulations require that you repay your Direct Consolidation Loan(s) under the ICR plan. The ICR plan bases the amount of your monthly payments on your annual income and total amount of your Direct Loan(s).

Action Required By You

Please complete the enclosed forms listed below and return them to the address on the reverse side. **We must receive the forms within 30 days of the date of this Request.**

- **Income Contingent Repayment Plan Selection form** - *Complete, sign, and date the form. Refer to the enclosed* ***Direct Loans 1995-96 Repayment Book*** *for an explanation of your ICR options.*
- **Income Contingent Repayment Plan Consent to Disclosure of Tax Information form** - *Complete this form even if you have submitted one previously. This document is time sensitive.*

Consequences

If we do not receive the required documentation within 30 days so we can switch your Direct Consolidation Loan(s) to the correct repayment plan, your loan will remain in default.

Important

You may change from the ICR plan to another repayment plan after you have made three consecutive monthly payments in the prior three months under the ICR plan. If you need more information, you may contact us at our toll-free telephone number shown on this Notice.

ICRXAV01

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

REQUEST FOR INCOME - DIRECT CONSOLIDATION LOANS
INCOME CONTINGENT REPAYMENT PLAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/CCYY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

Because you selected or are required to repay your Direct Consolidation Loan under the Income Contingent Repayment (ICR) Plan and because you have been in repayment two years or less, you must provide additional income information at this time. This income information is required to calculate your monthly payment amount under the ICR Plan.

ACTION REQUIRED BY YOU

Per federal requirements, you (and your spouse) must complete, sign, and mail the enclosed *Alternative Documentation of Income* form and include all required supporting documentation. The Direct Loan Servicing Center (address on the back) must receive it **WITHIN 60 DAYS OF THE DATE OF THE POSTMARK OF THIS REQUEST**.

EXPECTED OUTCOMES

IF WE...	YOUR...
Send you a Billing Statement before we receive your income information	Monthly payment will be equal to the amount of interest that accrues monthly on your loan until we can compute your regular monthly payment. If you cannot afford the interest payments, call the Direct Loan Servicing Center at the toll-free number on the back and ask about Deferment or Forbearance, which can suspend loan payments.
Receive your satisfactorily completed form within 60 days	Payment amount (under the ICR Plan) will be computed and you will receive a billing statement for this amount.
Do not receive your satisfactorily completed form within 60 days	Loan will be removed from the ICR Plan. If you are required to repay a Direct Consolidation Loan under ICR, you may be required to repay your Direct Consolidation Loan in full immediately.

IMPORTANT

Questions? Please call the toll-free telephone number on the back. If you experience income or family changes that make it difficult to make a monthly payment, please call us and ask about 1) counseling, 2) other repayment plans, or 3) Deferment or Forbearance.

ICRYAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix N

Clearing Bad Credit Letters

Direct Loans
William D. Ford Federal Direct Loan Program

CLEARING BAD CREDIT - LOAN MISREPORTED

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

Dear First Name MI Last Name:

Thank you for your recent inquiry regarding your William D. Ford Federal Direct Loan Type Loan account(s).

Please accept our apologies for any incorrect information that was reported to the national credit bureau(s) regarding your Direct Loan account(s). We realize that this may have been an inconvenience to you. On MM/DD/YY, we sent information to the credit bureaus notifying them that you have just 99 Direct Loan(s) outstanding in the amount of $99,999.99. Please allow the credit bureaus four to six weeks to update their records.

If you have any additional questions about the servicing of your loan, please contact our Borrower Services Representatives at 1-800-848-0979.

Sincerely,

Direct Loan Servicing Center

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

CLEARING BAD CREDIT - DELINQUENCY

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

Dear First Name MI Last Name:

Thank you for your recent inquiry regarding your William D. Ford Federal Direct Loan Type Loan account(s).

Please accept our apologies for any incorrect information that was reported to the national credit bureau(s) regarding your Direct Loan account(s). We realize that this may have been an inconvenience to you. On MM/DD/YY, we reported your account as 999 days delinquent to the credit bureaus. On MM/DD/YY, we sent corrected information to the credit bureaus to remove this derogatory rating from your account. Please allow the credit bureaus four to six weeks to update their files.

If you have any other questions about the servicing of your loan, please contact our Borrower Services Representatives at 1-800-848-0979.

Sincerely,

Direct Loan Servicing Center

L298AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Removing Negative Credit Information from Your Account

Dear First name MI Last Name

We have received your request to remove negative credit data information from your Direct Loan account, and have notified our credit bureaus to do so. We have also updated the information on your account to reflect these changes.

We are glad to be of service in this matter. Please let us know if you should have other questions or comments about your account. Simply give us a call at one of the numbers listed at the William D. Ford Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

L299AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix O

Promissory Note Fraud Letters

Direct Loans
William D. Ford Federal Direct Loan Program

RECEIPT OF FRAUD NOTICE /DOCUMENTATION NEEDED

MM/DD/CCYY
ACCOUNT#: 999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

Dear First Name MI Last Name

Thank you for contacting us about the possible fraud involving your William D. Ford Federal Direct Loan promissory note or addendum. To validate your claim of possible fraud, you must submit:

[ ] Three original copies of your signature on the same piece of paper. Your signature must be notarized by a Notary Public.
[ ] A clear copy of your Driver's License.
[ ] A clear copy of your Social Security Card.

Send these items to:

U.S. Department of Education
Collections Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

The Direct Loan Servicing Center will send this information to the U.S. Department of Education's Office of the Inspector General (OIG), which will determine the validity of your claim. The Department may request further documentation from you, the school, and other parties to support or refute your claim. If OIG deems the signature on your promissory note or addendum is a forgery, all information goes to both the U.S. Department of Education's Office of General Counsel to pursue civil charges against the forger and the U.S. Department of Justice to pursue criminal charges. You may be required to testify in both civil and criminal court against the forger. All agencies will keep you informed of the status of your claim.

We may also notify the internal judicial or honor code system or student ethics committee of the student's school that potential fraud exists. This action could lead to the student's expulsion or suspension and be part of his or her permanent record if the student is found to have participated in, solicited, committed, or received benefit from the forgery. Thank you for you cooperation.

Questions? Call the Direct Loan Servicing Center Collections Department from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday, at 1-800-848-0981. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

Sincerely,

Linda Duncan
Manager, Collections, Ext. 6672
Direct Loan Servicing Center

FRD1AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

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Direct Loans
William D. Ford Federal Direct Loan Program

PLUS LOAN FRAUD NOTICE TO SCHOOL

School Name
Street Address1
Street Address2
City, State Code Zip Code

MM/DD/CCYY

RE: Student Name:______________________________
PLUS Borrower Name:______________________

ACCOUNT#: 999-99-9999-9

Dear Financial Aid Officer:

We are writing to inform you that [ ] _________________________________, who is a Direct PLUS borrower, or [ ] the endorser for __________________________, who is a Direct PLUS borrower, has claimed that fraud has occurred involving his or her William D. Ford Federal Direct Loan promissory note or addendum.

Your institution must:

- **cancel any future scheduled disbursements** to the parent and *not* disburse the parent's Direct PLUS funds to the student or to the student's account.
- **require notarization** (until further notice) of all future PLUS and Direct Subsidized or Unsubsidized Loan promissory notes and addenda submitted by the above student, parent, and/or endorser for student financial aid.
- **confirm signatures on any promissory notes or addenda** related to loans in process for the student, parent, and/or endorser. Even with signature notarization, you can refuse to certify or approve a loan if you question its legitimacy.
- **use this letter as the official complaint** against the student named above under your internal judicial or honor code system or student ethics committee to discourage fraud.
- **send a copy of the parent's signed tax return and a recent signed SAR** from your files (for signature analysis during our investigation of this fraud) to Direct Loan Servicing Center, 501 Bleecker St., Utica, NY 13501, Attention: Linda Duncan.

Questions? We can assist you from 8:00 AM to 8:30 PM. Eastern Time, Monday through Friday. Our toll-free telephone number is 1-800-848-0981. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

Sincerely,

Linda Duncan
Manager, Collections, Ext. 6672
Direct Loan Servicing Center

289

FRD2PV03

Direct Loans
William D. Ford Federal Direct Loan Program

RECEIPT OF FRAUD NOTICE AND DOCUMENTATION

MM/DD/CCYY
ACCOUNT#: 999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip

Dear First Name MI Last Name

Thank you for contacting us about the possible fraud involving your William D. Ford Federal Direct Loan promissory note or addendum. We received the notarized samples of your signature and copies of your Driver's License and Social Security Card.

We are sending this letter to inform you of the actions we will now take.

The Direct Loan Servicing Center will send this information to the U.S. Department of Education's Office of the Inspector General (OIG), which will determine the validity of your claim. The Department may request further documentation from you, the school, and other parties to support or refute your claim. If OIG deems the signature on your promissory note or addendum is a forgery, all information goes to both the U.S. Department of Education's Office of General Counsel to pursue civil charges against the forger and the U.S. Department of Justice to pursue criminal charges. You may be required to testify in both civil and criminal court against the forger. All agencies will keep you informed of the status of your claim.

We may also notify the internal judicial or honor code system or student ethics committee of the student's school that potential fraud exists. This action could lead to the student's expulsion or suspension and be part of his or her permanent record if the student is found to have participated in, solicited, committed, or received benefit from the forgery. Thank you for you cooperation.

Questions? Call the Direct Loan Servicing Center Collections Department from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday, at 1-800-848-0981. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

Sincerely,

Linda Duncan
Manager, Collections, Ext. 6672
Direct Loan Servicing Center

FRD3AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

RECEIPT OF FRAUD NOTICE /DOCUMENTATION NEEDED

MM/DD/CCYY
ACCOUNT#: 999-99-9999-9

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

Dear First Name MI Last Name

Thank you for contacting us about the possible fraud involving your William D. Ford Federal Direct Loan promissory note or addendum. To validate your claim of possible fraud, you must submit:

[ ] Three original copies of your signature on the same piece of paper. Your signature must be notarized by a Notary Public.
[ ] A clear copy of your Driver's License.
[ ] A clear copy of your Social Security Card.

Send these items to:

U.S. Department of Education
Collections Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

The Direct Loan Servicing Center will send this information to the U.S. Department of Education's Office of the Inspector General (OIG), which will determine the validity of your claim. The Department may request further documentation to support or refute your claim. If OIG deems the signature on your promissory note or addendum is a forgery, all information goes to both the U.S. Department of Education's Office of General Council to pursue civil charges against the forger and the U.S. Department of Justice to pursue criminal charges. You may be required to testify in both civil and criminal court. All agencies will keep you informed of the status of your claim.

Questions? Call the Direct Loan Servicing Center Collections Department from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday, at 1-800-848-0981. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

Sincerely,

Linda Duncan
Manager, Collections, Ext. 6672
Direct Loan Servicing Center

FRD6AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

REAFFIRMATION OF PLUS LOAN

____
(Date)

____
____
____

NAME: ______________________________

ACCOUNT #: ______________________________

I understand that ______________________________, who is my ______________, used my name and signed for a William D. Ford Federal Direct PLUS Loan in order to obtain the funds needed to attend ______________________________ for the school year of ________.

Even though I did not sign the note, I have made arrangements for ______________________ to pay this PLUS loan, and I understand that the account will remain in my name.

The current balance is $______________.

Billing of this loan will be addressed to ______________________________

c/o ______________________________

____

____

I understand that if for any reason ______________________________ does not make payments on this loan I will be responsible for the balance.

Please use this notice to allow ______________________________ to obtain any information by phone or in writing on this loan.

______________________________ ____________________
Signature Date

______________________________ ____________________
Notary Signature Date

Please return this completed Reaffirmation to the address that appears on the back to the Attention of Linda Duncan, Manager, Collections.

FRD4PV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF FRAUD CLAIM FILED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

REASON FOR LETTER

The endorser on your William D. Ford Federal Direct PLUS Loan account, ______________________, has claimed that fraud has occurred involving his or her endorser application.

The Direct Loan Servicing Center will send this information to the U.S. Department of Education's Office of the Inspector General (OIG), which will determine the validity of the endorser's claim. The Department may request further documentation from you, the endorser, the school, and other parties to support or refute the claim.

If OIG deems the signature on the endorser application is a forgery, all information goes to both the U.S. Department of Education's Office of General Council to pursue civil charges against the forger and the U.S. Department of Justice to pursue criminal charges. You may be required to testify in both civil and criminal court.

We may also notify the internal judicial or honor code system or student ethics committee of the student's school that potential fraud exists. This action could lead to the student's expulsion or suspension and be part of his or her permanent record if the student is found to have participated in, solicited, committed, or received benefit from the forgery.

ACTION YOU MUST TAKE

None at this time.

QUESTIONS?

If you have questions, please call us at the toll-free telephone number on the reverse side of this Letter.

FRD5PV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

FRAUD CASE DOCUMENTATION

MM/DD/CCYY

Mr. John Taylor
U.S. Department of Education
Office of Inspector General
330 C Street, SW
Room 4000
Washington, DC 20202

Reason for Notice

We are forwarding the attached documents for your use in the alleged fraud case on the following Direct Loan account:

Account #:	Type Account No. 999-99-9999-9
Loan Holder:	U.S. Department of Education William D. Ford Federal Direct Loan Program
Borrower Name:	Type Borrower Name Here
Borrower SSN:	Type Borrower SSN Here
Principal Balance:	Type $999,999.99 Interest Due Here
Interest Due:	Type $999,999.99 Interest Due Here
Total Debt Amount:	Type Borrower SSN Here
First Pay Due Date:	Type Correct MM/DD/CCYY Here

The documents attached are:

•
•
•
•
•
•

Notify Us of Your Decision

Please notify us in writing about whether the Office of Inspector General (IG) plans to pursue this fraud allegation. Send your response to this address:

U.S. Department of Education
7th & D Street, SW
Room 4025
Washington, DC 20202
ATTN: Danielle Smith

Questions?

Questions? Need more information? If so, please contact Danielle Smith (U.S. Department of Education) at (202) 619-0738 or Dee Washburn or Arlene Hanson (Direct Loan Servicing Center) at (315) 738-6711.

Appendix P

Bankruptcy Letters

Direct Loans
William D. Ford Federal Direct Loan Program

INITIAL BANKRUPTCY DOCUMENTATION

ATTN: Myron McNeal
U.S. Department of Education
Litigation Branch
50 United Nations Plaza
San Francisco, CA 94102

MM/DD/CCYY

REASON FOR NOTICE

Initial Notice Of Receipt of Documents In Bankruptcy Case

The William D. Ford Federal Direct Loan Program has received the attached documents pertaining to one of our borrowers who has filed for bankruptcy.

INFORMATION ON BANKRUPTCY

Borrower SSN:	999-99-9999
Borrower Name:	First Name MI Last Name
First Payment Due Date:	MM/DD/CCYY
Principal Balance:	$999,999.99
Interest Due:	$999,999.99
Total Amount of Debt:	$999,999.99
Holder of Loan:	U.S. Department of Education William D. Ford Federal Direct Loan Program

Documents Attached:

-
-
-
-

Additional Documentation Attached:

-

CONTACT INFORMATION

If you have any additional questions or require additional information, please contact Danielle Smith, at the U.S. Department of Education (202) 619-0738 or Dee Washburn or Arlene Hanson at the Direct Loan Servicing Center (315) 738-6711.

Direct Loans
William D. Ford Federal Direct Loan Program

FOLLOW-UP BANKRUPTCY DOCUMENTATION

ATTN: Myron McNeal
U.S. Department of Education
Litigation Branch
50 United Nations Plaza
San Francisco, CA 94102

MM/DD/CCYY

REASON FOR NOTICE

Follow-up Notice Of Receipt of Additional Documents In Bankruptcy Case

The William D. Ford Federal Direct Loan Program has received the attached documents pertaining to one of our borrowers. We have notified you previously of this bankruptcy, so this information should be used to update the file.

INFORMATION ON BANKRUPTCY

Borrower SSN: 555-44-3333
Borrower Name: Mary K. Student

Documents Attached:

•
•
•
•

CONTACT INFORMATION

If you have any additional questions or require additional information, please contact Danielle Smith at the U.S. Department of Education (202) 619-0738 or Dee Washburn or Arlene Hanson at the Direct Loan Servicing Center (315) 738-6711.

BAN2AV02

Direct Loans
William D. Ford Federal Direct Loan Program

Month DD, CCYY

Name of Firm
Street Address
City, State   Zip Code

RE: Borrower's Name   Account No. 999-99-9999-9

To Whom it May Concern:

Thank you for your letter to the Direct Loan Servicing Center.

Enclosed is the signed reaffirmation agreement for Borrower's Name, who has a William D. Ford Federal Direct Consolidation Loan being serviced by the Direct Loan Servicing Center in Utica, NY.

For our records, we would appreciate if you would return a copy to our office if the agreement is filed with the Court.

If you have any questions, you can contact me at 315-738-6672.

Sincerely,

Linda Duncan
Manager, Collections
Direct Loan Servicing Center

BAN3AV01

Direct Loans

William D. Ford Federal Direct Loan Program

BANKRUPTCY REPRESENTATION BY U.S. ATTORNEY

MM/DD/CCYY

____
____
____

Debtor(s) Name: ____________________ **Debtor(s) SSN:** ____________________

Case No. ____________________

____________________ **v. United States Department of Education et al.**

Adversary Proceeding No. ____________ **Bankr. D.** ____________________________

Dear Assistant United States Attorney __________________________

We are writing to request that you represent the Secretary of Education in the above referenced bankruptcy matter pending in your district. The plaintiff in this case is seeking a discharge of a student loan made by the Secretary under the William D. Ford Federal Direct Loan Program (Direct Loan Program). Bankruptcy Code § 523(a)(8) provides that educational loans, such as plaintiff's Direct Loan, are not dischargeable unless the loan (A) first became due more than seven years (exclusive of any applicable suspension of the repayment period) before the date of filing of the bankruptcy petition; or (B) exempting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor's dependents.

Attached is a fact sheet containing specific information regarding this Direct Loan. Because this Direct Loan has not been in repayment for more than seven years before the filing of the bankruptcy petition, the loan is not dischargeable under Bankruptcy Code § 523(a)(8)(A). Further, it is not dischargeable under Bankruptcy Code § 523(a)(8)(B) because the Direct Loan Program offers several flexible repayment plans (including an Income Contingent Repayment Plan) so that exempting the Direct Loan from discharge will not cause undue hardship to the debtor and the debtor's dependents.

For these reasons, the Department believes that plaintiff's Direct Loan is non-dischargeable. We appreciate your representation of the Secretary's interest in this proceeding. For specific information on this debtor(s)'s Direct Loan, please call Dee Washburn or Arlene Hanson at the Direct Loan Servicing Center (315) 738-6711. For assistance on legal issues (including model briefs) related to Direct Loans in bankruptcy, contact the U.S. Department of Education's Office of the General Counsel at (202) 401-8302.

Thank you again for your assistance with this matter.

Sincerely,

Chief, Bankruptcy Unit
San Francisco Service Center

BAN4AV01

Direct Loans
William D. Ford Federal Direct Loan Program

BANKRUPTCY PROOF OF CLAIMS

Clerk, U.S. Bankruptcy Court
____
____
____

MM/DD/CCYY

Reason for Notice

Enclosed are three copies of our Proof of Claims for:

- Case Number: ______________________
- Borrower Account Number: ______________________

Thank you for your assistance in this matter.

Action Required

Please acknowledge receipt by certifying one copy and returning it to our office. A second copy is provided for your records.

Questions?

If you have any questions, please call Linda Duncan at this telephone number: (315) 738-6672.

BAN5AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Filing for Chapter 7 or Chapter 13 Bankruptcy

Dear First name MI Last Name

Thanks very much for taking the time to contact us regarding the Direct Loan Policy on Chapter 7 or Chapter 13 bankruptcy.

All you need to do is send us a copy of the First Meeting of Creditors Petition for Chapter 7 or Chapter 13 bankruptcy within 30 days of the date you filed in bankruptcy court.

In the meantime, we will grant you a forbearance. During forbearance you will receive a quarterly statement detailing the interest that has accrued during the prior period. Unless you choose to pay this accrued interest, it will be capitalized or added to your loan principal balance. If the court decides you are still liable for this loan, or your forbearance expires before we receive the First Meeting of Creditors Petition, your loan will enter repayment and your loan amount will be increased by the amount of interest that has accrued and not been paid. Once we receive the First Meeting of Creditors Petition your forbearance will be extended, if necessary, while your bankruptcy petition is decided by the court.

If you have any additional questions about this or other matters related to your Direct Loan, please feel free to give us a call at the Borrower Services number listed on the reverse side.

Sincerely,

Borrower Services Representative

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix Q

Interest Letters

Direct Loans
William D. Ford Federal Direct Loan Program

CUMULATIVE INTEREST STATEMENT

MM/DD/CCYY

The total amount of unpaid interest that has accumulated on your Direct XXXXXXXXXXX Loan principal balance of $999,999,999.99 through MM/DD/CCYY is $999,999,999.99. Please note that the principal balance shown above is the sum of your Direct XXXXXXXXXX Loan balances only. Direct Subsidized Loan balances, if applicable, are not reflected in this statement. Your options are shown below.

OPTION 1 - Pay Now	OPTION 2 - Pay Later
Direct Unsubsidized or Direct PLUS Loans Pay the amount of "Total Unpaid Interest at Quarter End" shown below. If you choose to pay the interest, please send your payment (along with the bottom coupon portion of this Notice) in the envelope provided.	**Direct Unsubsidized Loans** Do not pay the interest and have all your unpaid interest capitalized (added to your principal balance). If you are in school or in a grace period, capitalization will occur when your loan enters repayment. If you are in a deferment period, it occurs after the deferment period ends. This means your principal balance will be larger when you enter repayment and the total cost of your loan will increase. **Direct PLUS Loans** If you have not yet entered repayment, do not pay the interest now but, when you do enter repayment, have your monthly payments satisfy all unpaid interest before being applied to your principal balance. If you are in a deferment period, capitalization will occur after the deferment period ends. This means the total cost of your loan will be larger because you will not be reducing your principal as quickly.

All payments are applied first to unpaid fees due and then to unpaid accrued interest. Any remaining amount will automatically be applied to your principal.

INT8AV04

PLEASE RETAIN THE ABOVE STATEMENT FOR YOUR RECORDS

For your Records:

Date Paid: ________

Amount Paid: ________

Check No. ________

DETACH COUPON BEFORE MAILING

PAYMENT COUPON (Please mail coupon with your payment)

Account Number: 999-99-9999

[ ] **ADDRESS CHANGED?** Check box and write any changes on other side of this Notice.

Total Amount Due: 999, 999,999.99

Total Amount Enclosed: ☐

Make check or money order payable to:
U.S. Department of Education

Write your Account Number on your check or money order

Mail your Payment and Coupon to:
U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

If you send your payment overnight mail, use the U.S. Postal System to avoid delays.

First Name MI Last Name
Street Address 1
Street Address 2
City, State and Zip Code

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

HAS YOUR NAME, ADDRESS OR TELEPHONE NUMBER CHANGED?

If so, please complete this form and mark the [x] Address Changed? box on the front of this payment coupon.

First Name____________________ MI____ Last Name____________________

Maiden Name____

New Address____

City________________________ State________________ Zip Code________

Current Home Phone #(_____)____________ Current Business Phone #(_____)____________

Direct Loans
William D. Ford Federal Direct Loan Program

EXPLANATION OF INTEREST RATE ACCRUAL

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

Thank you for your recent inquiry regarding your William D. Ford Federal Direct Student Loan account.

While you are in school, only interest that accrues on the unsubsidized portion of your loan is your responsibility. Our records indicate that your unsubsidized loan balance is $99,999, which consists of four disbursements ($9,999 disbursed on MM/DD/YY, $9,999 disbursed on MM/DD/YY, $9,999 disbursed on MM/DD/YY, and $9,999 disbursed on MM/DD/YY).

The interest rate on Direct Loans from MM/DD/YY to MM/DD/YY was 9.99% and converts to a daily rate of .99999999 (.9999/999.99) and the interest rate from July 1, 19XX to the present is 9.99%, which converts to a daily rate of .99999999 (.9999/999.99). Given this information and the formula below, we can calculate the total amount of interest that has accrued on your loan from disbursement through MM/DD/YY.

PBO (Principal Balance Outstanding) x Number of Days x Interest Factor

Disbursement # 1: MM/DD/YY
$99,999 x 999 (number of days from MM/DD/YY to MM/DD/YY) x .99999999 = $9,999.99
$99,999 x 999 (number of days from MM/DD/YY to MM/DD/YY) x .99999999 = $9,999.99

Disbursement # 2: MM/DD/YY
$99,999 x 999 (number of days from MM/DD/YY to MM/DD/YY) x . 99999999 = $9,999.99
$99,999 x 999 (number of days from MM/DD/YY to MM/DD/YY) x . 99999999 = $9,999.99

Disbursement # 3: MM/DD/YY
$99,999 x 999 (number of days from MM/DD/YY to MM/DD/YY) x . 99999999 = $9,999.99
$99,999 x 999 (number of days from MM/DD/YY to MM/DD/YY) x . 99999999 = $9,999.99

Disbursement #4: MM/DD/YY
$99,999 x 999 (number of days from MM/DD/YY to MM/DD/YY) x . 99999999 = $9,999.99

TOTAL INTEREST	$ 99,999.99
Less Payments Received to Date	$ 99,999.99
Interest Receivable	$ 99,999.99

We hope this information is helpful to you. If you have any additional questions, please contact our Borrower Services Representatives at 1-800-848-0979.

INTAAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

INTEREST WORKSHEET

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

How Interest Accrues

Interest accrues on your Direct Loan(s) on a daily basis. The amount of interest can vary each month based on Principal Balance Outstanding (PBO) amount, number of days in the month, and interest rate.

The PBO is generally the amount you owe. The interest rate on Direct Loans is variable and subject to change each year. The maximum rate is 8.25% for Direct Subsidized and Unsubsidized Loans and 9% for Direct PLUS Loans.

You must pay all outstanding interest each month before we apply any of your monthly payment amount towards your principal balance.

Calculating Interest

To estimate your **current** daily and monthly interest amounts shown below, we used your current PBO and interest rates. (If you have more than one interest rate for your loans, the two PBO amounts shown at differing rates add up to your total PBO amount.) You can use the additional space below to estimate interest accrued **during other time periods**. *Be sure to use the PB0, interest rates, and number of days appropriate for the time period.*

Worksheet

		Int Rates	divided by	365.25	equals	Int Factor	
Step 1 **Calculate Interest Factor**	**Current:**	9.99%	÷	365.25	=	.99999999	**Go To Step 2**
		9.99%	÷	365.25	=	.99999999	
	Other:	____	÷	365.25	=	____	
		____	÷	365.25	=	____	

		PBO at Start of Period	multiplied by	Int Factor	multiplied by	#days in period	equals	Interest Amount		
Step 2 **Calculate Interest Amount**	**Current Daily:**	$999,999.99	X	.99999999	X	1	=	$999,999.99		
		$999,999.99	X	.99999999	X	1	=	$999,999.99		
									DAILY TOTAL:	$999,999.99
	Current Month:	$999,999.99	X	.99999999	X	99	=	$999,999.99		
		$999,999.99	X	.99999999	X	99	=	$999,999.99		
									MONTHLY TOTAL:	$999,999.99
	Other Daily:	$____	X	____	X	1	=	$____		
		$____	X	____	X	1	=	$____		
									OTHER DAILY TOTAL:	$999,999.99
	Other Period:	$____	X	____	X	__	=	$____		
		$____	X	____	X	__	=	$____		
									OTHER PERIOD TOTAL:	$999,999.99

INTBAV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

INTEREST RATE CHANGE NOTICE

As you know, the interest rate(s) on your Direct Loan(s) can change once a year on July 1. This is your notice of the interest rate(s) in effect on your Direct Loan(s) from **July 1, 1998, through June 30, 1999**. If your payment amount is changing, we will inform you of the exact amount shortly.

Borrowers repaying loans under the ICR plan should be aware that annual recalculations done at this time may affect their monthly payment amount. (Please note that PLUS Loans and PLUS Consolidation Loans cannot be repaid under the ICR plan.)

If you receive any new loans after July 1, 1998, the Disbursement Notices we send you will show the interest rates in effect for those loans.

IF				
Loan Type is…	**Student Loan** (Includes Subsidized and Unsubsidized Loans and Consolidation Loans)			**Parent Loan** (Includes PLUS Loans and PLUS Consolidation Loans)
And Date You Received This Loan is…	Before July 1, 1995	July 1, 1995, through June 30, 1998		Before July 1, 1998
And Current Loan Status is…	In any period	In an in-school, grace, or deferment period?		In any period
		No	Yes	
THEN				
The current interest rate on the loan from July 1, 1997, through June 30, 1998, has been…	8.25%	8.25%	7.66%	8.98%
The **NEW** interest rate on the loan from July 1, 1998, through June 30, 1999, will be…	**8.25%**	**8.25%**	**7.66%**	**8.53%**
As a result of the interest rate change, your **MONTHLY PAYMENT AMOUNT** is likely to…	Stay the same	Stay the same	Not change (no payments due)	Decrease

VAR2AV04

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix R

Repayment Plan Letters

Direct Loans

William D. Ford Federal Direct Loan Program

First Name MI Last Name
Street Address1
Street Address2
City, State Code Zip Code

MM/DD/CCYY

Account Number :	999-99-9999-9
Loan(s) From:	Name of school
Separation Date:	MM/DD/CCYY
Total Outstanding Principal Balance:	$99,999.99

Your Direct Loan(s) will be entering repayment on MM/DD/CCYY. You have a choice among repayment plans. In order to assist you in making your repayment plan selection, we have enclosed a fact sheet, "Repayment Plan Choices," that explains the available options and compares the major benefits of each plan. We have also enclosed a "Repayment Plan Selection" form.

Please review the enclosed materials and select your repayment plan by completing the "Repayment Plan Selection" form. Follow the instructions on the form carefully. Provide all information requested for the payment plan you select. Return the "Repayment Plan Selection" form to the Direct Loan Servicing Center in the enclosed envelope. If you select the Income Contingent Repayment (ICR) Plan, we will request additional information from you. Within a few weeks you will receive forms that you must complete and return to us, so that your request for ICR can be processed.

The information below illustrates three repayment plans. See the enclosed "Repayment Plan Choices" fact sheet for a general estimate of ICR repayment. The interest rate on your loan is variable and may change every July 1; however, the interest rate on your loan will never exceed 8.25%. Your exact payment amount may vary in future years whenever this interest rate changes. The dates shown below are examples; your actual due date may change.

Your interest rate information is shown on the back of this Notice.

STANDARD PLAN

# OF PAYMENTS	PAYMENT AMOUNT	DATE STARTING	*TOTAL OF PAYMENTS
xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY	999,999.99

EXTENDED PLAN

# OF PAYMENTS	PAYMENT AMOUNT	DATE STARTING	*TOTAL OF PAYMENTS
xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY	999,999.99

GRADUATED PLAN

# OF PAYMENTS	PAYMENT AMOUNT	DATE STARTING	*TOTAL OF PAYMENTS	# OF PAYMENTS	PAYMENT AMOUNT	DATE STARTING	*TOTAL OF PAYMENTS
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	999,999.99

* Assumes all payments will be made on time.

SEPXSV04

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Direct Loans

William D. Ford Federal Direct Loan Program

First Name MI Last Name
Street Address1
Street Address2
City, State Code Zip Code

MM/DD/CCYY

[Text Headings in This Location Vary Depending on Whether Borrower is PLUS or Sub/Unsub]

Your Direct Loan(s) will be entering repayment on MM/DD/CCYY. You have a choice among repayment plans. In order to assist you in making your repayment plan selection, we have enclosed a fact sheet, "Repayment Plan Choices," that explains the available options and compares the major benefits of each plan. We have also enclosed the "Repayment Plan Selection" form.

Please review the enclosed materials and select a repayment plan by completing the "Repayment Plan Selection" form. Follow the instructions on the form carefully. Provide all information requested for the payment plan you select. Return the "Repayment Plan Selection" form to the Direct Loan Servicing Center in the enclosed envelope. If you are eligible for, and select the Income Contingent Repayment (ICR) Plan, we will request additional information from you. Within a few weeks you will receive forms that you must complete and return to us, so that your request for ICR can be processed.

The information below illustrates three repayment plans. See the "Repayment Plan Choices" fact sheet for general illustrations of repayment under the ICR Plan. The interest rate on your loan is variable and may change every July 1; however, the interest rate on your loan(s) will never exceed 8.25% for Direct Subsidized and Unsubsidized Loans or 9% for Direct PLUS Loans. Your exact payment amount may vary in future years whenever this interest rate changes. The dates shown below are examples; your actual due date may change.

Your interest rate information is shown on the back of this Notice.

Standard Plan

Number of Payments	Payment Amount	Date Starting	*Total of Payments
xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY	999,999.99

Extended Plan

Number of Payments	Payment Amount	Date Starting	*Total of Payments
xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY	999,999.99

Graduated Plan

Number of Payments	Payment Amount	Date Starting	*Total of Payments	Number of Payments	Payment Amount	Date Starting	*Total of Payments
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	
xx	9999.99	MM/DD/CCYY		xx	9999.99	MM/DD/CCYY	999,999.99

[On PLUS SEPYs, a note appears here.]

* Assumes all payments will be made on time.

SEPYAV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

INTEREST RATE INFORMATION

Your interest rate information for your Direct Loan(s) is shown below. If you have more than one interest rate for your loans, the Principal Balance Outstanding (PBO) at each rate is shown below and totals your PBO reflected on the front of this Notice.

PBO Amount(s)		Repayment Interest Rate(s)
$999,999,999.99	@	99.99%
$999,999,999.99	@	99.99%

Appendix S

Payment History Letters

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Direct Loan Payment History

Dear First name MI Last Name

Thank you very much for taking the time to contact us regarding your Direct Loan payment history. We have enclosed a copy of it for your review and your records.

If you find that any payments are missing or incorrectly stated, please send us copies of the front and back of your canceled checks. If you have paid with money orders, copies of the front and back of the actual cashed money orders are required. Your money order receipts should provide information on how to obtain copies.

Bear in mind when reviewing your payment history that we apply your payments to your account in the following order: first toward any charges or fees that you might owe; then toward interest; and finally toward your principal balance.

If you have any additional questions about this or other matters related to your Direct Loan, please feel free to give us a call at the Borrower Services number listed on the reverse side.

Sincerely,

Borrower Services Representative

Enclosure(s): Payment History(ies)

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Direct Loan Payment History

Dear First name MI Last Name

Thanks very much for taking the time to contact us regarding your Direct Loan payment history. We have enclosed a copy of it for your review and your records.

If you find that any payments are missing or incorrectly stated, please send us copies of the front and back of your cancelled checks. If you have paid with money orders, copies of the front and back of the actual cashed money orders are required. Your money order receipts should provide information on how to obtain copies.

Bear in mind when reviewing your payment history that we apply your payments to your account in the following order: first toward any charges or fees that you might owe; then toward interest; and finally toward your principal balance.

If you have any additional questions about this or other matters related to your Direct Loan, please feel free to give us a call at the Borrower Services number listed on the reverse side.

Sincerely,

Borrower Services Representative

Enclosure(s): Payment History(ies)

PMT0AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix T

Payment Due Date Letters

Direct Loans
William D. Ford Federal Direct Loan Program

INQUIRY ABOUT MONTHLY PAYMENTS

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

In response to your recent inquiry about monthly payments for your Direct Loan(s), please be aware that:

- You must make a payment every month, even if you do not receive a bill. Borrowers can arrange to make payments using one of the following methods (subject to eligibility):
  - an **electronic debit account (EDA)**, which enables you to make monthly payments easily and automatically from your bank account
  - a **coupon book**, which allows you to pay at your convenience without waiting for monthly billing statements
  - **monthly billing statements**
- If you make payments using either coupons from your monthly billing statements or your coupon book, we recommend you mail payments early enough to ensure your account does not become delinquent. You should send each payment (with your account number written on your check or money order) to:

  U.S. Department of Education
  P.O. Box 746000
  Atlanta, GA 30374-6000
- If you pay with the coupon from your monthly billing statement, you will receive the billing statement approximately 20 days prior to your payment due date each month.
- If you pay by EDA or coupons, you do not receive monthly billing statements.

Questions?

Please call us at our toll-free telephone number shown on the back of this Notice if you:

- have any more questions
- want your monthly Direct Loan payments deducted electronically from your bank account on your payment due date via EDA
- want to know if you are eligible for a coupon book.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix U

Account Discrepancy Letters

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Account Statement Discrepancy

Dear First name MI Last Name

Thank you for taking the time to contact us regarding the discrepancy between the Direct Loan account statement we sent you and your own account records. We understand that your records show that you sent payments to us that have not been reflected in your account statement. A review of our records shows that we did not receive the payments in question.

We would like to work with you to rectify this situation. If you have a canceled check, please send us a clear copy of both the front and the back of the check. If you paid with a money order, please send us a copy of the money order receipt so we can determine the date that it was cashed. You can obtain this receipt from the vendor who sold you the money order.

When we receive a copy of a canceled check or money order receipt, we will review your account again. We will notify you once we have completed our research. Any adjustments to your account will be reflected on your statement.

We will be happy to answer any additional questions you may have. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

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Direct
Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Direct Loan Balance

Dear First name MI Last Name

Thank you very much for taking the time to contact us regarding your Direct Loan account balance. We understand there is a discrepancy between what you believe the balance is and your account statements. We are happy to work with you to resolve this matter.

According to your letter, your account balance should be lower than the amount indicated on the statements because you did not use all of the funds that were disbursed to you. However, we have not received a refund from your school for the amount in question. Please contact the appropriate school official and request that they send us either the refund or a verification that the refund was previously sent to the address listed below. We will then update your account accordingly.

Unfortunately, until we receive the refund or verification, you will remain responsible for the outstanding principal balance as listed on your account statement. Please continue to make regular monthly payments.

Also, it is important to note that any refund will be applied to the principal balance only and cannot be used against any overdue or future payments on your account.

Thank you very much for your cooperation in this matter. We apologize for any inconvenience it may cause you, and we will be happy to answer any additional questions you may have. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

L422AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Direct Loan Payment Record

Dear First name MI Last Name

Thank you for taking the time to contact us regarding your Direct Loan payments. We understand that your payment records do not match ours.

We would like to inform you that we are researching your account to review exactly how the payments in question have been applied. Any adjustments to your account will be reflected in your monthly billing statements. Meanwhile, please continue to make regular monthly payments to prevent your account from becoming delinquent.

Thanks very much for your patience. We will be happy to answer any additional questions you may have. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

L449AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Direct Loan Account

Dear First name MI Last Name

Thank you for taking the time to notify us that your Direct Loan account is mistakenly labeled as delinquent. We have reviewed your records and, as of MM/DD/YY, all payments in question have been applied and your account is up to date. Your next payment of $999.99 is due on MM/DD/YY.

We apologize for any inconvenience this situation may have caused you. If you have questions regarding this or any other matter related to your Direct Loan, please feel free to give us a call at the Borrower Services number listed on the reverse side.

Sincerely,

Borrower Services Representative

L453AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Appendix V

Miscellaneous Letters

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF AVAILABILITY OF CLOSED SCHOOL DISCHARGE

First Name MI Last Name
Address Line 1
Address Line 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

We received information that the following school may have closed:

School: *Name of School* **Closing Date:** *MM/DD/CCYY*

Our records show you obtained the following Direct Loan(s) to attend this school:

999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999
999999999XYYG99999999

You *must* notify us now if you believe this information is incorrect. If you qualify for a Direct Loan Closed School Discharge, you (1) are *not* required to repay these Direct Loan(s), (2) are reimbursed for payments made, and (3) have any adverse reporting due to nonpayment of discharged loan(s) deleted from your credit history.

DO I QUALIFY?

To qualify, you (or the student for whom you borrowed) must meet these criteria:

1. **have received the Direct Loan to attend the closed school**
2. **did not complete the program because the school closed or withdrew from the school not more than 90 days before it closed**
3. **did not complete or are not completing the program by a teach-out at another school or by transferring academic credits or hours earned at the closed school to another school**
4. **did not recover more from the school's closing than the discharge amount being requested**
5. **provide documents to demonstrate you qualify for the discharge**
6. **cooperate in enforcement actions against other parties to recover amounts discharged**
7. **transfer right to recovery (up to amount discharged) from other parties (e.g., a state or agency) to the U.S. Department of Education**

ACTION YOU CAN TAKE

The U.S. Department of Education urges students to continue their education by transferring credits to other schools. However, you may apply for a Closed School Discharge (application enclosed). **We must receive your completed and signed application WITHIN 60 DAYS of the Postmark of this Notice.** If your loan is in repayment or will enter repayment within 60 days of the postmark of this letter, we will grant a Forbearance on the account for up to 60 days from that date. During Forbearance, you are not required to make payments on your loan; however, interest accrues. If your discharge is denied or you do not return the application within 60 days, Forbearance will end. At that time, accrued interest will be capitalized (added to the principal amount of your loan) unless you choose to pay it.

IMPORTANT

If we discharge a loan and you (the student for Direct PLUS Loans) transferred or do transfer credits from the closed school to complete the program at another school, the discharge may be canceled and you may have to repay the loan.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

ADVANCE NOTICE OF INELIGIBILITY
FOR A CLOSED SCHOOL DISCHARGE

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

Thank you for your inquiry about a Closed School Discharge. Our records indicate that the student left school on MM/DD/CCYY, which was more than 90 days before the school's closing date of MM/DD/CCYY. Therefore, the student would not be eligible to receive a Closed School Discharge.

Important

If the student (1) left school after the date we have listed or (2) was on an approved leave of absence when the school closed, the student can call our toll-free telephone number (shown on the back of this Notice) to request a Closed School Discharge Application.

Questions?

If you have any other questions, please call us.

CL03AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

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Direct Loans
William D. Ford Federal Direct Loan Program

DENIAL OF CLOSED SCHOOL DISCHARGE

First Name MI Last Name
Address Line 1
Address Line 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

Your request to discharge your Direct Loan(s) based on school closure is **DENIED.** Our decision was based on a review of the documentation you provided to us. Your loan did not qualify for this reason:

☐ D01 Closed School Discharge Application not submitted and/or no response to our letter dated MM/DD/CCYY.
☐ D02 Application still incomplete (another form is enclosed if you wish to resubmit).
☐ D03 Student withdrew MM/DD/CCYY, more than 90 days prior to the school's closing on MM/DD/CCYY.
☐ D04 Student is completing/did complete the educational program through a teach out or by transferring credits to another school.
☐ D05 Amounts you recovered ($999,999.99) because of the school's closing equals or exceeds the amount of the Direct Loan for which you are requesting a discharge.
☐ D06 Student was neither enrolled nor on an authorized leave of absence when the school closed.
☐ D07 Other: ____________________
____

IMPORTANT

If your loan status is:	Then we:
*In repayment**	Resumed collection of your loan and granted a Forbearance of principal and interest for the period in which collection activity was suspended. You must resume repayment of your loan immediately.
In school	Show you leaving school on MM/DD/CCYY with a loan balance of $999,999.99 and a grace period ending MM/DD/CCYY. Your first payment of approximately $9,999.99 will be due two to six weeks after the grace period ends.
In grace period	Show your grace period will end MM/DD/CCYY and your first payment will be due two to six weeks after the grace period ends.
** PLUS loans are considered in repayment within 60 days of final disbursement.*	

Our telephone number is 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. Our address is:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

Direct Loans
William D. Ford Federal Direct Loan Program

mm/dd/yy

First Name Middle Initial Last Name
Street Address
City, State Code Abbrev. Zip Code

Student's Name: *First MI Last*
Borrower Acct #: 999-99-9999-9

Dear First Name Middle Initial Last Name

We have carefully reviewed your request to discharge your Direct Loan(s). Based on the documentation provided, we regret to inform you that we are unable to approve your cancellation.

Our decision is based on the documentation provided by the borrower, student, or their representative. The following documentation that was provided did not qualify the loan(s) for discharge.

______________ Written request or application
______________ Sworn statement
______________ Death certificate
______________ Permanent and total disability certificate of the borrower
______________ Bankruptcy record of discharge of loan(s)
______________ Proof of school closing
______________ Statement indicating ______________________________
____

______________ Other ______________________________
____

Your grace period will end on MM/DD/YY and your first payment will be due two to six weeks later.

If you have any questions, the Direct Loan Servicing Center Collection Department is available to assist you from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday. We can be reached, toll-free, at 1-800-848-0981. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can receive assistance by calling 1-800-848-0983.

All correspondence should be sent to U.S. Department of Education, Collection Department, Direct Loan Servicing Center, P.O. Box 4609, Utica, New York 13504-4609

Sincerely,

Jean Lewis
Manager, Borrower Services
Direct Loan Servicing Center

DISBAV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

LOAN AMOUNT EXCEEDS FEDERAL LIMIT

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

REASON FOR THIS NOTICE

You received a loan under the William D. Ford Federal Direct Loan Program in excess of the federal annual or cumulative maximum amount allowable under the Direct Loan and the Federal Family Education Loan (FFEL) Programs. You received $9999.99 for which you are ineligible. Because you received funds in excess of the federal limit, you are ineligible currently for additional federal student financial aid.

ACTION YOU MUST TAKE

☛**To re-establish your eligibility for additional federal student aid, you must:**

1. Repay the amount in excess of the cumulative maximum in full within 30 days. Send $9999.99 check or money order (with your account number written on it to **U.S. Department of Education, Direct Loan Payment Center, P.O. Box 746000, Atlanta, GA 30374-6000**.

OR

2. Establish a repayment agreement by signing, dating, and returning the Borrower Repayment Agreement below to **U.S. Department of Education, Direct Loan Servicing Center, Borrower Services Department, P.O. Box 4609, Utica, NY 13504-4609**. By signing, dating, and returning this Agreement, you are reaffirming the full amount of the debt you accepted when you signed your Direct Loan Promissory Note(s) and you are agreeing to repay the Direct Loan amounts in excess of the allowable maximums under the repayment terms provided for in your Promissory Note. This means the ineligible loan amount is included in your outstanding loan balance (the amount you owe). When you enter repayment on your student loans, the ineligible loan amount will be repaid in the same manner as your other loans. This document does not alter in any way your obligations as stated in your Promissory Note(s).

William D. Ford Federal Direct Loan Program
Borrower Repayment Agreement

I understand that I have received a subsidized loan amount in excess of the allowable annual or cumulative maximums under federal law. I agree to repay this amount (identified above) when my student loan(s) enter repayment under the terms and conditions of my Direct Loan Promissory Note. I will not sign this Obligation before reading it, even if I am advised not to read this Obligation. I am entitled to an exact copy of this Obligation. My Amount in Excess of the allowable cumulative maximum is **$999,999.99**. My scheduled Repayment Begin Date is **MM/DD/CCYY**.

Signature of Borrower

Date Signed

CLP3AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

CONFIRMATION OF LENDER PAYMENT

CONSOLIDATION LOAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY
ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

We received the copies you sent us of your billing statement(s) from your previous lender(s). We can confirm that the proper payment has been made (during consolidation of your loan(s) into your Consolidation Loan) to those lender(s) whose billing statements you sent us. We are confident that those lender(s) received payment for your loan(s).

The billing you received from them most likely represents an error. If you receive other billing statements from them, feel free to make a copy of this letter and send it to them (be sure to include your old account number for the loan because that is the number by which they will recognize it).

ACTION REQUIRED BY YOU

Please continue to make your scheduled payments for your Consolidation Loan to the U.S. Department of Education at:

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 746000
Atlanta, GA 30374-6000

IMPORTANT

If you should have any questions or require further assistance, you may reach us Monday through Friday, 8:00am-8:30pm Eastern time at 1-800-848-0982. (The toll-free TDD number for the hearing impaired is 1-800-848-0983.)

CONPAV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF LOAN DISCHARGE

First Name MI Last Name
Address Line 1
Address Line 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

This Notice certifies that the Direct Loan(s) assigned to

Borrower First Name MI Last Name

Social Security Number

Has/Have been DISCHARGED

Effective Date

Loan Account Number

Loan Amount

School Name

Student Full Name

Reason For Discharge

IMPORTANT

Payments we receive before *or* after the discharge will be returned via a U.S. Treasury Check. **However, if this loan is being discharged because of a school closure,** please remember that (1) the discharge may be revoked if you (or the student for Direct PLUS Loans) completes the program at another school and (2) you agreed to transfer your right to any claims for a loan refund--up to the amount discharged--to the U.S. Department of Education.

Our toll-free telephone number is 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. Our address is:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

DIS4AV01

Direct Loans

William D. Ford Federal Direct Loan Program

NOTICE OF PARTIAL LOAN DISCHARGE

First Name MI Last Name
Address Line 1
Address Line 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

REASON FOR NOTICE

This Notice certifies that the Direct Loan(s) assigned to

____
Borrower First Name MI Last Name

____
Social Security Number

Has/Have been PARTIALLY DISCHARGED

____
Effective Date

____
Loan Account Number

____
Total Loan Amount

____
Discharged Amount

____
School Name

____
Student Full Name

____
Reason For Discharge

The amount being discharged is the difference between your total outstanding amount of the Direct Loan(s) borrowed to attend this school and $999,999.99 you recovered from another party. Any payments you made on this loan will be applied to the nondischarged amount. You will receive billing statements for the remaining amount due. Payments in excess of the nondischarged amount will be refunded to you. **If the discharge is because of a school closure** and if, in the future, you (or the student for whom you borrowed) ever complete the program of study at another school by transferring one or more credits from the closed school, this partial discharge may be canceled and you may be required to repay the entire loan amount.

IMPORTANT

Our telephone number and address are 1-800-848-0979, Direct Loan Servicing Center, P.O. Box 4609, Utica, NY 13504-4609. Hearing-impaired individuals with access to TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

DISDAV01

Direct Loans
William D. Ford Federal Direct Loan Program

MILITARY ALLOTMENT REQUEST DENIED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

Reason for Notice

We received your Department of Defense (DOD) Military Allotment Application. Regrettably, we are unable to process your request for the following reason:

☐ Your loan does not meet the one-year requirement.

☐ Section I of the application is not complete.

☐ Section II of the application is not complete.

☐ Section III of the application is not complete.

☐ Your signature is missing from the application.

☐ The certifying official signature is missing from the application.

☐ Other ____
____

Actions You May Take

Either enclosed here or under separate cover are your form(s) to correct and/or new form(s) to complete if you wish to resubmit. Please ensure that any item(s) checked above have been corrected before you resubmit an application.

Questions?

Questions? Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

DOD1AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

PAYOFF ESTIMATE FOR LOAN CONSOLIDATION

Name of Lender
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

Borrower Name
ACCOUNT#: 999-99-9999

Reason for Notice

We are sending this letter to confirm our receipt of your loan consolidation certification form(s) on MM/DD/CCYY. Based on our review of this material, we have the following information to report:

☐ We have accepted your request. We have identified and listed all of the borrower's loans found on our system to date on the enclosed Federal Direct Consolidation Loan Verification Certificate, which is attached to the certification form(s) we received from you.

We have provided a per diem interest accrual rate based on the Principal Balance Outstanding (PBO). To calculate the payoff amount, please multiply the per diem accrual rate by the number of days from the date of loan certification to the date you anticipate our receipt of your payoff check. Interest accrues through the day a payoff check is received in our mailroom and date stamped. A payoff amount is posted the next business day after it is received.

☐ The Direct Loan Program does not service the loan(s) listed on the certification form(s). We have enclosed your certification form(s). Please contact the appropriate loan holder(s).

☐ We cannot process the certification form(s). The borrower must authorize the form with an original signature before we can comply with your request.

Important

According to federal regulations, any loans marked as "In-School Period" on the Federal Direct Consolidation Loan Verification Certificate *cannot* be consolidated by a Federal Family Education Loan (FFEL) Program lender.

Questions?

If you have questions, please contact us at the address below. You may also contact us by telephone at 1-800-738-8035 from 8:00 AM to 5:30 PM Eastern Time or by facsimile at 1-315-738-6643. Borrowers may contact us at 1-800-848-0979. Hearing-impaired individuals can call 1-800-848-0983 (TDD).

U.S. Department of Education
Direct Loan Certification Services
P.O. Box 4610
Utica, NY 13504-4610

FEL1AV01

Direct Loans
William D. Ford Federal Direct Loan Program

ACCOUNT HISTORY

First Name MI Last Name
Street Address 1
Street Address 2
City, State Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

Reason for Notice

The account information you requested is enclosed.

Questions?

Questions? Please call us at the toll-free number shown on the reverse side.

HIS1AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

William D. Ford Federal D[illegible] Loan Program - Account History

Name: BORROWER, JOE T
C/O:
Address: 1 SAMPLE STREET
City/State/Zip: ANYWHERE ST 99999

Account #: 999-99-9999-9
PBO: $999,999.99

Fixed Payment: $9,999.99
Status: XXXXXXXXXXXXXX
Next Pymt Due: MM/DD/CCYY

Interest Rate: 9.99%
Pymts Remaining: 999
Final Pymt Due: MM/DD/CCYY

Applied Date	Effective Date	Transaction	Amount 1	Amount 2	Principal Balance Outstanding	From Date	To Date	School (FICE) Number
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000
MM//DD/CCYY	MM/DD/CCYY	TRANSACTION NO./NAME	$999,999.99	$999,999.99	$999,999.99	MM/DD/CCYY	MM/DD/CCYY	0000000

Direct Loans
William D. Ford Federal Direct Loan Program

FINAL DEMAND LETTER - INELIGIBLE LOAN

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999-9

RE: Your Federal Direct Loan

Dear First name MI Last Name

We have been notified that you received loan proceeds from a Direct Loan for which you were wholly or partially ineligible. You must return these proceeds immediately as provided in the terms of your promissory note. This means YOU MUST REPAY A TOTAL OF $9999.99. This total includes $9999.99, which is the amount of the second disbursement for which you are not eligible, and $999.99, which is the interest that has accumulated on that amount. YOU MUST REPAY THIS TOTAL AMOUNT WITHIN 30 DAYS OF THE POSTMARK OF THIS LETTER.

If you do not pay the total amount due, we will place your entire loan in default and transfer it to the U.S. Department of Education's Debt Collection Service. Failure to repay this amount may result in these consequences: you will no longer be eligible for future Federal student financial assistance; your credit rating will be damaged; any Federal income tax refund you might have received may be withheld and applied toward your debt; your wages may be garnished; the U.S. Department of Justice may sue you for the full balance of your loan.

Please make your check payable to U.S. Department of Education, and mail the payment to the Direct Loan Payment Center, P.O. Box 746000, Atlanta, GA 30374-6000. Make sure your account number is written on your check.

Questions? Call the Direct Loan Servicing Center, Collections Department, toll-free number 1-800-848-0981 Monday through Friday between 8:00 AM and 5:30 PM Eastern Time. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

Sincerely,

Linda Duncan
Manager, Collections, Ext. 6672
Direct Loan Servicing Center

INE2AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

First Name MI Last Name
Address1
Address2
City, State, Zip

Oops!

You Sent Your Payment to the Wrong Address

Did You Know?

Your last payment was sent to the Montgomery (AL) Origination/Consolidation Center, the Utica (NY) Servicing Center, or the old Phoenix (AZ) Payment Center address rather than to the correct Payment Center in Atlanta (GA). It has been applied to your account, but...

... To Avoid Misdirected Payment Problems

To avoid delays in applying your payments and the potential for delinquency on your account in the future, please send all of your Direct Loan payments to the Payment Center address below.

KEEP THIS FOR FUTURE REFERENCE

U.S. Department of Education
Direct Loan Payment Center
P.O. Box 746000
Atlanta, GA 30374-6000

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Your Name Change Request

Dear First name MI Last Name

Thank you for taking the time to contact us regarding the name on your Direct PLUS Loan. Many people benefit from student loans taken out for them by their parents or guardians, and often we are asked whether we can change the name on the account from the current borrower to the student.

Unfortunately, the loan must remain in the name of the original borrower because it is a condition of the loan. We will continue to send all correspondence and monthly billing statements to the original Direct PLUS Loan borrower.

We will be happy to answer any questions you may have about this matter or other issues regarding your Direct Loan. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Grace Periods for Your Direct PLUS Loans

Dear First name MI Last Name

Thank you very much for taking the time to contact us regarding your Direct PLUS Loan and the law about grace periods before repayment. A grace period is typically a six-month period before the borrower must begin to repay any principal on the loan. Unfortunately, though borrowers can take advantage of grace periods for other student loans, the law does not provide grace periods for Direct PLUS Loans.

According to our records, your first loan payment will be due on MM/DD/YY, which is no more than 60 days after your final loan disbursement. If our records are inaccurate or if you are concerned that you may not be able to make a payment, please contact us immediately so we can work with you to accommodate your needs.

We will be happy to answer any additional questions you may have regarding this matter or other issues relating to your Direct Loan(s). Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: An Increase in Your Federal Direct Loan Balance

Dear First name MI Last Name

Thank you very much for taking the time to contact us regarding the increase in your Direct Loan balance.

According to our records, you received a deferment (a postponement of payments) from MM/DD/YY to MM/DD/YY. You also owed payments before your deferment began, which were indicated by a "past-due" amount on your monthly statements.

At your request, in addition to the deferment, we granted you an administrative forbearance (a temporary suspension or extension of repayment) to cover the past-due amount. As we explained, during forbearance, although payments are suspended, interest continues to accrue on the outstanding amount of the loan. This interest was capitalized, which means it was added to your principal balance, thereby increasing the total amount that you owe. As a result, your loan payments may also have increased to cover this additional amount.

If you have any additional questions or concerns, please feel free to contact us. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

RE: Your Request for Information

Dear ______________________

Thank you for your request for information on the William D. Ford Federal Direct Loan Program.

Low interest loans for both students and parents are available through this federal loan program. To assist you in understanding all of the options available to borrowers interested in a Direct Loan, we have enclosed a brochure entitled "A Better Way to Borrow." In addition to this information, a toll free telephone number has been established to answer any additional questions you may have now or in the future about your options for financial aid. This number is 1-800-4-FED-AID. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-730-8913. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Federal Student Aid Information Center
P.O. Box 84
Washington, D.C. 20044

You should also contact the Financial Aid Office at the school you or your child is planning to attend. They may have additional information on other loan programs, grants, and scholarships appropriate to your circumstances.

If you have any questions concerning Direct Loans, the Direct Loan Servicing Center Borrower Services Department is available to assist you from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday. We can be reached, toll-free, at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983).

Thank you for your interest in the William D. Ford Federal Direct Loan Program.

Sincerely,

Borrower Services Representative

L130AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

NOTICE OF REFUND CHECK
TO LENDING INSTITUTION

First Name MI Last Name
Lending Institution Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

Dear First Name MI Last Name

RE: *Refund Check*
Check #: xxxxxx Dated: MM/DD/CCYY Amount: $999,999.99

The check identified above was received by the Direct Loan Payment Center on MM/DD/CCYY. We are returning funds to you by means of a United States Treasury Check in the amount of $999,999.99, which you should receive within the next 45 days. The reason we are sending you a refund check is:

☐ You indicated the check you sent was an overpayment on a consolidation loan, but we have no such consolidation loan on our records.

If you have any questions, please contact us at:

U.S. Department of Education
Borrower Services Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

1-800-848-0979

Sincerely,

Payment Center Representative
Direct Loan Servicing Center

L136AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/CCYY

First Name MI Last Name
Street Address1
Street Address2
City, State Code Zip Code

Dear First name MI Last Name

The enclosed document was sent to our office. We are unable to locate this account in our records.

Please assist us in servicing this account accurately and promptly by furnishing the additional information requested below:

☐ Name under which loan was granted: ______________________________

☐ School which disbursed the loan: ______________________________

☐ Complete Direct Loan Account Number: ______________________________

☐ Social Security Number: ______________________________

☐ Current home address and telephone number:
______________________________ (__) ___-_____ (home)
______________________________ (__) ___-_____ (work)

☐ Other: ______________________________
____

If you have any questions, please contact our Borrower Services Department at (800) 848-0979. Hearing impaired borrowers please call 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday.

Sincerely,

Borrower Services Representative

Enclosures

L151AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

First Name MI Last Name
Street Address
City, State Code Zip Code

ACCOUNT#: 999-99-9999-9

Dear First name MI Last Name

We are in receipt of the copy of your check. However, we are unable to verify your payment history with this copy due to the following reason(s):

☐ Your check is not legible. Please provide a clear copy of the front and back of the canceled check to the address above.

☐ The copy received is only a copy of the front. Please provide a clear copy of both the front and back of canceled check to the address below.

☐ We received a copy of the money order receipt. Please provide us with a copy of the original canceled money order. This can be obtained from the company that you purchased the money order from.

☐ This payment has not been received in our office. Please contact your bank to verify the check has been cashed.

☐ Direct Loan Service Center did not cash the check(s) in the bank that cashed the check(s).

☐ Other:

If you have any questions, please contact our Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday.

Sincerely,

Borrower Services Representative

L152AV01

Direct Loans
William D. Ford Federal Direct Loan Program

REQUEST FOR COUPONS DENIED

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

We have received your request for a coupon book for your Direct Loan account. However, you do not currently meet the eligibility criteria. We are unable to process your request due to the following reason(s):

☐ You are repaying your loan(s) under a repayment plan that is not eligible for coupon books.

☐ Your account is either delinquent or has been delinquent a total of 30 days or more during the past 6 months.

☐ You must have been in active repayment on your Direct Loan(s) for at least 12 months. You have been repaying less than 12 months.

☐ Your account is either in a deferment or forbearance period or has been in one during the past 6 months.

☐ New coupon books are issued only once a year during June and July. We will send you a book at that time if you meet all the other criteria described above.

☐ Other: ____

____

Questions?

If you have any questions, please contact us at the following toll-free telephone number: **1-800-848-0979**. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call this toll-free number: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM Eastern Time, Monday through Friday.

Our address is:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, NY 13504-4609

L153AV02

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

First Name MI Last Name
Street Address
City, State Code Zip Code

ACCOUNT#: 999-99-9999-9

Dear First name MI Last Name:

We have received your request to combine your Direct Loan accounts. We regret to inform you that we are unable to combine your accounts due to the following reason(s):

- ☐ Loan types must be the same.
- ☐ Interest rates must be the same.
- ☐ Deferment months used for unemployment, economic hardship, and forbearance months must be the same.
- ☐ Separation dates from school must be the same, or if they are different all accounts must be in repayment status.
- ☐ The student must be the same for PLUS loans to be combined.
- ☐ Borrower address must be the same.
- ☐ Other:

If you have any questions, please contact our Borrower Services Department at (800) 848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday.

Sincerely,

Borrower Services Representative

L155AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

First Name MI Last Name
Street Address
City, State Code Zip Code

ACCOUNT#: 999-99-9999-9

Dear First name MI Last Name:

We have received your correspondence regarding the status of your Direct Loan account.

We have applied your last payment on MM/DD/YY in the amount of $999.99.

1 - ☐ Your account reflects a current balance of zero. You will receive written confirmation that your account is paid in full in approximately 45 days.

2 - ☐ Your account reflects an outstanding balance because of accrued interest not included in the balance at the time you remitted your last payment. Therefore, to satisfy the outstanding balance due, please remit a check in the amount of $00000.00 by MM/DD/YY.

3 - ☐ There is an overpayment on your Direct Loan. Please allow approximately 60 days for a refund to be mailed to you.

If you have any questions, please contact our Borrower Services Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday.

Sincerely,

Borrower Services Representative

L156AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

Dear First name MI Last Name

Our records show you receive separate notices for your Direct Loans. While we are unable to fully correct this situation at this time and reflect all your accounts on one statement, we have combined some accounts so they will appear together on notices. This will make repayment of your loans simpler and more convenient.

Please contact us if you have any questions.

Sincerely,

Borrower Services Representative
Direct Loan Servicing Center

L702AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

First Name MI Last Name
Street Address
City, State Code Zip Code

MM/DD/YY

Re: [Information Subpoena/Summons Re:]

Dear [fill in name of requester]:

This is in response to the [fill in type of information demand - summons, subpoena] you served on the Direct Loan Servicing Center on [fill in date request was served]. The information you have requested is protected by the federal Privacy Act of 1974, 5 U.S.C.552a et seq. Generally, the Privacy Act permits disclosure of personally identifiable records maintained by federal agencies only with prior authorization from the individual who is the subject of the information requested, or where the request meets one of the statutory criteria for disclosure without such consent under the Act.

While the Privacy Act provides an exception for the release of protected information in response to the order of a court of competent jurisdiction, 5 U.S.C. 552a(b)(11), the above-referenced [summons/subpoena] does not satisfy this exception since it was not specifically approved by a judge. See Doe v. DiGenova, 779 F.2d 74, 74-75 (D.C. Cir. 1985). Further, it appears neither that your request is for a routine use authorized for this information in the Privacy Act notice called Title IV Program Files published in the Federal Register on April 12, 1994 (59 Fed. Reg. 17351) nor that it meets any other criterion for exemption from the Act's prior consent requirement. For these reasons, the U.S. Department of Education cannot release any information to you unless you obtain the written consent of the subject individual as explained above.

Therefore, if you wish to obtain release of this information, you should obtain written consent from the subject individual and resubmit your request, with the written consent of the subject individual, to:

[include address of ED On-Site Monitor or other official who will be responsible for processing these requests].

If you have any questions, please contact [Name of ED contact] at [telephone number].

[Signature of ED On-Site Monitor or other official]

OGC1AV01

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

First Name MI Last Name
Street Address
City, State Code Zip Code

Account Number: xxx-xx-xxxx-x

Dear Borrower:

Thank you for your inquiry regarding your William D. Ford Federal Direct Student Loan account. Please accept our apologies for the unexpected delay in responding to your questions about your loan.

According to our records, your last date of enrollment was mm-dd-yy, which means your grace period ended on mm-dd-yy. Your first day of repayment therefore, was mm-dd-yy, and your first monthly installment was due on mm-dd-yy.

The fact that your school experienced a delay in sending us your loan records does not affect the grace period on your loan. Direct Loan regulations define grace period as "... a six month period that begins on the day after a Direct Loan borrower ceases to be enrolled as at least a half time student at an eligible institution and ends on the day before the repayment period begins."

We appreciate the difficulty this situation has caused you. Please keep in mind that we can offer you a forbearance which will temporarily delay your first payment due date. It is important to remember that interest will continue to accrue on your loan and will be capitalized at the end of the forbearance period, if not paid by you during the time of forbearance. Please contact our office immediately if you wish to apply for this forbearance.

We are here to assist you in this matter. Please do not hesitate to contact our office if you have any additional questions or concerns. Our Borrower Services Department can be reached at 1-800-848-0979, between the hours of 8:00 a.m. and 8:30 p.m., eastern standard time.

Sincerely,

Direct Loan Servicing Center

L161AV02

Our Mission is to Ensure Equal Access to Education and to Promote Educational Excellence Throughout the Nation
U.S. Department of Education

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

____/____/____

ACCOUNT#: ____________________

Name: ____________________
Address: ____________________
____

RE: William D. Ford Federal Direct Loan Program Repayment Options

Thank you for taking the time to contact us regarding the difficulties you are encountering in repaying your Direct Loan. We will be happy to try and work with you on a deferment option that best suits your needs.

You may be eligible for one of the following options. Please read through them and check any that you think apply to your situation:

( ) In-School Deferment: You are enrolled at least half time at an eligible college, university or other postsecondary institution. (Please note that your school registrar will be asked to certify your enrollment.)

( ) Unemployment Deferment: Although you are unemployed, you are seeking full-time employment and are registered with an unemployment agency or private agency.

( ) Economic Hardship Deferment: You meet certain criteria, which include receiving Food Stamps or Aid to Families with Dependent Children. You work full-time or part-time but your monthly income does not meet certain minimum levels. (There are other criteria for this deferment; if you think you are eligible, we will send you additional information.)

( ) Education Related Deferment: a) You are enrolled in an approved graduate fellowship program. The organization must certify your enrollment, or b) You are enrolled in an approved rehabilitation training program for the disabled.

( ) Forbearance: Even if you are not eligible for a deferment, you may qualify for a forbearance, which means that your loan repayments may be temporarily suspended or extended to better suit your financial situation. You must be willing but unable to meet your current loan repayment schedule to qualify for a forbearance

After you have checked one of these options, return this form to us at:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

We will then send you the appropriate deferment or forbearance form.

We will be happy to answer any additional questions you may have. Simply give us a call at one of the numbers listed for the Direct Loan Servicing Center Borrower Services Department on the reverse side.

Sincerely,

Borrower Services Representative

L201AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

UNABLE TO CLEAR CREDIT HISTORY

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: xxx-xx-xxxx-x

Reason for Notice

We received your request to have derogatory information removed from your credit report. Regrettably, we cannot do so because:

☐ The federal government requires us to report delinquent Direct Loans to national credit bureaus. We report loans when they become 90 days delinquent. Your account was 90 days delinquent on ______________.

☐ The forbearance form you submitted was received after your account had become 90 days past due.

☐ The deferment form you submitted was not certified/applied to cover the entire delinquency, or the month your account had become 90 days past due.

☐ The Direct Loan Servicing Center was not the party that reported the delinquency listed on your credit record. (You need to contact the institution that reported the delinquency.)

☐ The Direct Loan Servicing Center is unable to remove derogatory reports on accounts that are delinquent. Your account is ________ days past due. (Please correct your delinquency and re-contact us about clearing your credit history.)

☐ Other ____

____

Questions?

Questions? Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983.

L296AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

P.O. Box 4609, Utica, NY 13504-4609
(800) 848-0979

MM/DD/YY

ACCOUNT#:
999-99-9999-9

First Name MI Last Name
Street Address
City, State Code Zip Code

RE: Third Party Request For Information

Dear First Name MI Last Name

We have received an inquiry regarding your student loan account. Federal guidelines that refer to the Privacy Act prohibit us from releasing any information on your student loan to anyone other than the borrower without the borrower's written authorization.

If you wish to release all information about your loan to another party, provide the party's name and your relationship to that party in the space provided below, and return this entire letter to the address shown above. Upon receipt of this form, we will note on your account the name of the party who may receive this information. This permits us to release information to the authorized party only. No written information will he sent to anyone other than the borrower, unless we receive a request in writing with the borrower's signature. Until we receive this form, we will decline to release information to anyone else concerning your account and its activities.

We hope that we have been of service to you in this matter.

Sincerely,

Borrower Services Representative

I hereby authorize DLSC to release any information pertaining to any of my loans to the following party:

______________________	______________________
(Please Print Name)	(Please Print Relationship)
______________________	______________________
(Borrower's Signature)	(Date)

L401AV02

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

WE ARE UNABLE TO CONTACT YOU

PLEASE CALL IMMEDIATELY

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

We have been attempting to contact you by telephone regarding your delinquent student loan. Our attempts to reach you have been unsuccessful.

Action To Take

Please contact this office immediately at our toll-free telephone number: 1-800-848-0981.

If you are still in school, or feel you are entitled to a deferment on your loan, call us. We will send the proper forms to you.

If you are experiencing financial difficulties, please call us about alternatives such as a forbearance, a different repayment plan, or consolidation.

It is crucial that you act quickly to prevent your loan from becoming increasingly delinquent. If you continue to disregard your obligation to repay your loan, we will have to report your delinquency to national credit bureaus.

L403AV03

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

DRAFT COHORT DEFAULT RATE

CHALLENGE FINDINGS

School Director First Name MI Last Name
Title
School Name
Street Address 1
Street Address 2
City, State Zip Code

MM/DD/CCYY

Certified Mail Receipt Number:

Reason for Notice

The Direct Loan Servicing Center received your letter dated MM/DD/CCYY regarding your institution's challenge of its FY 19XX draft cohort default rate (CDR). The referenced challenge is for:

- 19XX Draft Data Challenge--Erroneous Data Appeal for:
  - NAME OF SCHOOL
  - OPEID: 123456

Enclosed please find the response to your school's allegations of erroneous data, which outlines our findings on a borrower by borrower basis. A copy of this response is being forwarded to the U.S. Department of Education's Default Management Division.

We trust that this final response will satisfy your concerns with the borrowers listed in the draft cohort default rate.

Questions?

Please direct all further correspondence to the U.S. Department of Education at the address listed in the *Draft Cohort Default Rate Review Guide* provided to your institution with the BUD report.

L603AV01

Direct Loans
William D. Ford Federal Direct Loan Program

DRAFT COHORT DEFAULT RATE

CHALLENGE DENIED

School Director First Name MI Last Name
Title
School Name
Street Address 1
Street Address 2
City, State Zip Code

MM/DD/CCYY

Certified Mail Receipt Number:

Reason for Notice

The Direct Loan Servicing Center received your letter dated MM/DD/CCYY regarding your institution's challenge of its FY 19XX draft cohort default rate (CDR). The referenced challenge is for:

- 19XX Draft Data Challenge--Erroneous Data Appeal for:
  - NAME OF SCHOOL
  - OPEID: 123456

Your request for challenge has been denied. After careful review, it has been determined that your challenge cannot be processed for the following reason(s):

☐ Untimely submission of challenge. Your submission should have been received by MM/DD/CCYY, but was not received until MM/DD/CCYY.

☐ Non-specific allegations of erroneous data.

☐ We did not receive the BUD report information we requested from your school on MM/DD/CCY, which was required within five business days of your receipt of our letter.

☐ Other: ______________________________

Questions?

Please direct all further correspondence to the U.S. Department of Education at the address listed in the *Draft Cohort Default Rate Review Guide* provided to your institution with the BUD report.

L604AV01

Direct Loans
William D. Ford Federal Direct Loan Program

DRAFT COHORT DEFAULT RATE

BUD REPORT NOT INCLUDED WITH CHALLENGE

MM/DD/CCYY

School Director First Name MI Last Name
Title
School Name
Street Address 1
Street Address 2
City, State Zip Code

Certified Mail Receipt Number:

Reason for Notice

The Direct Loan Servicing Center received your letter dated MM/DD/CCYY regarding your institution's challenge of its FY 19XX draft cohort default rate (CDR). The referenced challenge is for:

- 19XX Draft Data Challenge--Erroneous Data Appeal for:
  - NAME OF SCHOOL
  - OPEID: 123456

Your challenge cannot be processed and is being returned because the relevant BUD report information was not included with your request.

Action You Can Take

In order for your challenge to be considered, you must resubmit your request for challenge, *including* the relevant BUD report information, to our office within 5 business days of receipt of this letter.

Questions?

Please direct all further correspondence to the U.S. Department of Education at the address listed in the *Draft Cohort Default Rate Review Guide* provided to your institution with the BUD report.

L605AV01

332

Direct Loans
William D. Ford Federal Direct Loan Program

Month DD, CCYY

First Name MI Last Name
Street Address
City, State Zip Code

Account Number: 999-99-9999-9

Dear First Name MI Last Name:

Thank you for your inquiry regarding your William D. Ford Federal Direct Consolidation Loan account.

It is a policy of the U. S. Department of Education that the William D. Ford Federal Direct Loan Program does not have the authority to accept compromise payoffs for it's loans. This authority is held within the Department of Education's Debt Collection Services (DCS) to which all loans that are 270 days or more delinquent are transferred to.

As of this date, your Direct Loan account is 999 days delinquent. The total amount now due on your account, including your Month DD, CCYY payment, is $999,999.99. At 90 days delinquent, your loan will be reported to the national credit bureaus. At 150 days delinquent, a final demand letter will be generated on your loan and at 180 days delinquent, your loan will be considered in default. At 270 days delinquent, your loan will be transferred to the Department's Debt Collection Services. Once you have been notified that your loan has been transferred to DCS, you may make a compromise payoff offer, if you so desire at that time. As stated earlier, DCS has the authority to accept these offers.

If you have any additional questions, please contact me at 1-800-848-0979 between the hours of 8:00 a.m. and 4:30 p.m. Eastern Time.

Sincerely,

Tim Pape
Borrower Services Supervisor

PIF1AV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

CONSENT FORM RENEWAL NOTICE

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

YOUR ICR REPAYMENT PLAN: **ICRX**

Reason for Notice

We request that you sign and send us a new Consent to Disclosure of Tax Information form. The tax years covered on your form on file with the Internal Revenue Service are now outdated.

You originally completed this form when you selected to repay your Direct Loan(s) under the Income Contingent Repayment (ICR) Plan. The form gives permission to the Internal Revenue Service (IRS) to disclose your tax return information to us, so we may use it to calculate your monthly payments. **You must submit a new signed Consent form if you want to continue to pay your Direct Loan(s) under the ICR Plan.**

Actions To Take

Please sign and fully complete the enclosed *Consent to Disclosure of Tax Information* form. If your ICR plan shown above is:

- *ICR1 or ICR2* **and** if you are married **and** filing taxes jointly with your spouse, include your spouse's name on the form.
- *ICR3* **and** you are married, include your spouse's name **and** signature on the form.

Return the form in the envelope provided **WITHIN 30 DAYS** of the date of this Notice.

Consequences

Loan Type	Consequences of Failure to Return Form
Any Direct Consolidation Loan that **is requiring** you to repay under the ICR plan	We may require you to repay the loan in full immediately. If you do not repay or submit a new consent form, you will be in default on your loan(s).
All other loans	Repayment Plan for loan(s) will be changed to the Standard Plan.

Questions?

Questions? Please call us at the toll-free number shown on this Notice.

RPYDAV01

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

DENIAL OF PAY PLAN CHANGE REQUEST

INCOME CONTINGENT REPAYMENT (ICR) PLAN

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Repayment Plan: xxxxxxxxxxxxxxxxxxxxxxxx
xxxxxxxxxxxxxxxxxxxxxxxx

Reason for Notice

We received your request to change repayment plans for your Direct Loan(s).

We have denied your request to change repayment plans for the following reason(s):

☐ You may not change between the Formula Amount and the Capped Amount options under the ICR plan more than once a year.

☐ Because you were required to repay your loan(s) under the ICR plan as a condition of receiving a Direct Consolidation Loan, you may request to change repayment plans only after you have made three consecutive monthly payments under the ICR plan. At that time, you may resubmit your request and select a plan other than the ICR plan.

☐ You may not repay your Direct PLUS Loan(s) under the ICR plan. You may resubmit your request and select the Standard, Graduated, or Extended repayment plan.

☐ Other ____

____

Action Required by You

Continue sending us the amount due on your monthly billing statement. If you cannot pay your monthly payment amount, call our toll-free telephone number on this Notice and ask about Forbearance or Deferment. We can also provide information on other repayment plan types if you want to call us at: 1-800-848-0979.

Questions?

Questions? If so, please call us.

RPYLAV01

Direct Loans
William D. Ford Federal Direct Loan Program

NEW COUPON BOOK SENT NOTICE

First Name MI Last Name
Street Address 1
Street Address 2
City, State Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

You should soon be receiving a new Direct Loan coupon book through the mail. We are sending it to you because:

- ☐ your monthly repayment amount has recently changed
- ☐ it is time for annual renewal of your coupon book
- ☐ you reported your book lost or misplaced
- ☐ there was an error in the previous book sent

Action You Should Take

1 Please contact us within 15 days of receiving this Notice if you have not received your new coupon book.

2 When you receive your new coupon book, please verify that all information is correct. If it is not, call us immediately at the toll-free number shown on the back of this Notice. Dispose of your old coupon book once you have verified the new book is correct.

3 Each month, please mail your payment with that month's coupon from the new coupon book in the window envelope provided. Any payment that equals or exceeds your regular amount due will be applied to your account. If you are not delinquent on your account and you pay at least twice your monthly amount in any one month, you will prepay your account and advance your next "payment due date" **unless** you check the "Prepayment Waiver" box on the coupon sent with the payment.

Questions?

If you have questions about this Notice or your coupon book—or you want to resume receiving billing statements or sign up for electronic deductions— call us at our toll-free number on the back of this Notice.

ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

BORROWER REMOVED FROM COUPONS

First Name MI Last Name
Street Address 1
Street Address 2
City, State Code Zip Code

MM/DD/CCYY

ACCOUNT#: 999-99-9999

Reason for Notice

We are removing your account from coupons for your Direct Loan monthly payments (1) according to your request or (2) because you no longer meet the eligibility criteria for coupons.

Action You Must Take

If your monthly due date this month occurs after the date of this Notice, you may not receive a billing statement for this payment. Please send a check or money order, with your account number clearly written on it, for this month's payment to the following address:

U.S. Department of Education
P.O. Box 746000
Atlanta, GA 30374-6000

We will send you monthly billing statements for subsequent payments. Each billing statement will show the Payment Center address and will have a tear-off coupon on the bottom, which you should mail in with your payment. Make sure you write your account number on each check or money order.

Questions?

Questions? If so, please call our toll-free telephone number shown on the back of this Notice.

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ADDITIONAL INFORMATION ABOUT YOUR LOAN

If any of the information on this notice is incorrect, please contact the Direct Loan Servicing Center.

The Direct Loan Servicing Center Borrower Services Department was created to assist you with all matters regarding your Direct Loan. Please feel free to call us from 8:00 AM to 8:30 PM Eastern Time, Monday through Friday at 1-800-848-0979. Hearing-impaired individuals who have access to a TDD (Telecommunications Device for the Deaf) can call 1-800-848-0983. If you prefer to write, please direct your correspondence to:

U.S. Department of Education
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

Please advise us of any changes in name, address, student status, or separation date from school (if applicable). This information can affect the status of your loan.

Direct Loans
William D. Ford Federal Direct Loan Program

MM/DD/YY

SCHOOL ID: XXXXXXXXX

School Name
Street Address
City, State Code Zip Code

Dear Registrar

Account No. 999-99-9999-9

Borrower Name First Name MI Last Name

Thank you for returning our student status verification regarding the borrower listed above. We have reviewed your request and discovered that we are unable to update the student's account for the following reason(s):

☐ We need verification of the student's enrollment from MM/DD/YY to MM/DD/YY.

☐ Our records show a disbursement to your institution on MM/DD/YY.

☐ On MM/DD/YY , your institution certified that the above referenced student was in attendance from MM/DD/YY to MM/DD/YY.

☐ We need verification of the student's status (full, half or less than half-time).

☐ We need the specific dates the student was enrolled (begin and end dates).

☐ Other ____
____
____

Please adjust and return the enclosed student status verification. If you have any questions, please contact our Direct Loan Servicing Center School Relations Department at 1-800-848-0979. Hearing impaired borrowers please call: 1-800-848-0983. Our hours are 8:00 AM to 8:30 PM eastern time, Monday through Friday. You may send your modified student status verification to:

U.S. Department of Education
School Relations Department
Direct Loan Servicing Center
P.O. Box 4609
Utica, New York 13504-4609

SSC1AV01

Appendix W

Help Listing

William D. Ford Direct Loan Program
IMPORTANT NUMBERS TO REMEMBER:

Student Financial Aid Programs Customer Service....................1-800-433-7327

- General inquires from institutions
- Student inquires - Student Aid Information Center...............**1-800-4-FED-AID**

Department of Education Direct Loan Task Force.........................202-708-9951

- Program Development and Coordination
- Working hours are from 8:00 am to 5:00 pm (EST)

Direct Loan Task Force Fax..202-401-3424
Direct Loan Internet Address..Direct_Loan@ed.gov
Direct Loan Web Site...www.ed.gov/DirectLoan

Department of Education Direct Loan Policy................................202-708-9406

CPS Direct Loan Customer Service..1-800-330-5947

- All EDExpress software modules
- expEDite software
- Enrollment in Title IV WAN
- Technical advice and systems support
- Working hours are from 8:00 am to 7:00 pm (CST)

CPS Customer Service Fax..1-319-358-4260

Title IV WAN Customer Service[1]..1-800-615-1189

- Network problems
- Resending application batches
- Password problems
- Transmission errors
- Custom/Combo technical support...**1-800-756-4220**
  - Mainframe technical Issues

Title IV WAN Customer Service Fax..1-319-339-6983

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[1] Schools should identify themselves as Direct Loan Schools.

IMPORTANT NUMBERS TO REMEMBER Cont'd:

Loan Origination Center (School Relations) **1-800-848-0978**

- Acknowledgments
- Promissory notes processing
- Testing
- Reconciliation issues
- Alternative origination processing
- Bulk forms/publication ordering
- Working hours are from 8:00 am to 8:00 pm (ET)
- **Direct Loan Consolidation** **1-800-557-7392**

The Direct Loan Servicing Center

- Booked loans
- Payments made
- Deferments
- Repayment options
- Disability
- Working hours are from 8:00 am to 8:00 pm (EST)

Specific Numbers for each Servicing Center:

Direct Loan Servicing Center—Utica, NY

Borrower Services	**1-800-848-0979**
Delinquent Accounts/Collections Department	**1-800-848-0981**
School Services	**1-888-877-7658**
FAX	**1-800-848-0983**
TDD	**1-800-848-0984**
Direct Loan Consolidation	**1-800-848-0982**

IMPORTANT NUMBERS TO REMEMBER Cont'd:

Direct Loan Client Account Managers

REGION I (MA, ME, NH, VT, RI, CT)
Regional Director for Direct Loans--David Sola
Address: 10 Causeway Street, 3rd Floor - Room 341, Boston, MA 02222
Phone: 617-565-6911 Fax: 617-565-8636

REGION II (NY, NJ, PR, VI)
Regional Director for Direct Loans--Marie Carroll
Address: 75 Park Place, 12th Floor, New York, NY 10007
Phone: 212-264-8012 Fax: 212-264-1666

REGION III (PA, MD, VA, WV, DE, DC)
Regional Director for Direct Loans--Gary Smith
Address: 3535 Market St., Room 2304, Philadelphia, PA 19104-3309
Phone: 215-596-1716 Fax: 215-596-1726

REGION IV (GA, FL, AL, MS, TN, KY, SC, NC)
Regional Director for Direct Loans--Connie Kaschub
Address: 61 Forsyth Street, SW - Room 18T20-A, Atlanta, GA 30303
Phone: 404-562-6259 Fax: 404-562-6283

REGION V (IL, WI, MI, IN, OH)
Regional Director for Direct Loans--Kathy Rehorst
Address: 111 N. Canal Street, Suite 830, Chicago, IL 60606-7206
Phone: 312-886-8766 Fax: 312-886-6737

REGION VI (TX, OK, LA, AR, NM)
Regional Director for Direct Loans--Ed Farrar
Address: 1999 Bryan Street, Suite 2735, Dallas, TX 75202-4325
Phone: 214-880-2405 Fax: 214-880-2402

REGION VII (KS, MO, NE, IA)
Regional Director for Direct Loans--Mark Walsh
Address: 7505 Tiffany Springs Parkway, Suite 500, Kansas City, MO 64153-1367
Phone: 816-880-4090 Fax: 816-891-8713

IMPORTANT NUMBERS TO REMEMBER Cont'd:

REGION VIII (CO, WY, MT, UT, SD, ND, MN)
Regional Director for Direct Loans--Mike Clark
Address: 1391 N. Speer Boulevard, Suite 800-A, Denver, CO 80204-2512
Phone: 303-844-3677 Fax: 303-844-5756

REGION IX (CA, AZ, HI, NV)
Regional Director for Direct Loans--Bonnie Gonzalez
Address: 50 United Nations Plaza, Room 121, San Francisco, CA 94102-4987
Phone: 415-437-8843 Fax: 415-437-8852

REGION X (WA, OR, ID, AK)
Regional Director for Direct Loans--Barry Shine
Address: 1000 Second Ave., Suite 1200, Seattle, WA 98104-1023
Phone: 206-287-9840 Fax: 206-553-0800

Telephone numbers and information provided are subject to change without prior notice. DLTF 6/98

Appendix X

Direct Loan Program Regulations Listing

DIRECT LOAN PROGRAM REGULATIONS

As of April 1998, the following regulations on the William D. Ford Federal Direct Student Loan Program (Direct Loans) have been published in the Federal Register. Direct Loan Regulations can be found in 34 CFR Part 685. Enclosed is a *Compilation of Student Financial Aid Regulations through December 31, 1997.* Schools may request a copy of any of the Federal Register notices below by calling the Federal Student Aid Information Center at 1-800-433-3243.

September 10, 1993	Describes the school selection criteria and application procedure for the first year (1994-95 academic year).
December 28, 1993	Announces the schools selected to participate in the first year (1994-95 academic year).
January 4, 1994	Includes the final rule for Direct Loans and specifies the administrative requirements and program procedures for year one (1994-95 academic year).
February 17, 1994	Outlines the school selection for year two (1995-96 award year), and solicits applications for participation.
April 26, 1994	Outlines criteria for originating Direct Loans for year two (1995-96 award year) Direct Loan schools.
July 1, 1994	Outlines Repayment options for borrowers in the first year (1994-95 academic year) of the Direct Loan Program.
August 18, 1994	Outlines proposed regulatory policies and procedures to streamline the loan application and disbursement processes in the Direct Loan Program for the 1995-96 and subsequent academic years.
September 2, 1994	Extends the application closing date to November 1, 1994, for schools interested in participating in the Direct Loan Program.

DIRECT LOAN PROGRAM REGULATIONS CONT'D

September 29, 1994	Correction to the Direct Loan Internet Address.
December 1, 1994	Amends the program regulations. Streamlines the loan application and disbursement process, assists schools in the administration of the loans, ensures program integrity, and protects the Federal fiscal interest.
December 1, 1994	Amends general provisions regulation. Revises subpart B and adds a new subpart K and makes conforming revisions in other Title IV, HEA program regulations.
December 22, 1994	Issues final standards, criteria, and procedures governing the alternative repayment and income contingent repayment plans for the academic year beginning July 1, 1994.
December 29, 1994	Announces the schools selected for participation in the second year (1995-96 academic year).
February 17, 1995	Invites applications from schools to participate in year three (1996-97 academic year).
February 28, 1995	Announces the Secretary's intent to establish the Borrower Defenses Regulations Negotiated Rulemaking Advisory Committee.
March 27, 1995	Announces the date and agenda for the first meeting of the Borrower Defenses Regulations Negotiated Rulemaking Advisory Committee.
June 27, 1995	Announces the interest rates for the Direct Loan Program for the period July 1, 1995 - June 30, 1996.

DIRECT LOAN PROGRAM REGULATIONS CONT'D

June 28, 1995	Amends the Direct Loan Program regulations by adding the "OMB Control Number" to the information collection sections and announces the July 1, 1995, effective date for these sections.
June 30, 1995	Amends the general provisions regulations by correcting minor technical errors in the cash management regulations contained in Part 668, Subpart K, as well as other Title IV, HEA program regulations.
July 21, 1995	Reports the results of the April 25, 1995, Borrower Defenses Regulations Negotiated Rulemaking Advisory Committee, cancels future scheduled meetings, and contains information about administrative procedures the Department will implement regarding borrower defenses.
September 20, 1995	Proposes to amend the Direct Loan Program regulations by making certain programmatic changes.
September 20, 1995	Proposes to amend the income contingent repayment plan provisions under the Direct Loan Program.
September 21, 1995	Proposes to amend the general provisions regulations by modifying the FFEL Program default reduction initiative and implementing default prevention measures in the Direct Loan Program.
September 21, 1995	Proposes to amend the general provisions regulation by eliminating unnecessary regulations and by improving existing regulations in response to the President's Regulatory Reform Initiative.
December 1, 1995	Amends the Direct Loan Program regulations by making certain programmatic changes that become effective July 1, 1996.

DIRECT LOAN PROGRAM REGULATIONS CONT'D

December 1, 1995	Amends income contingent repayment plan provisions under the Direct Loan Program, effective July 1, 1996.
December 1, 1995	Amends the general provisions regulations by modifying the FFEL Program default reduction initiative and implementing default prevention measures in the Direct Loan Program, effective July 1, 1996.
December 1, 1995	Amends the general provisions regulations by eliminating unnecessary regulations and improving existing regulations in response to the President's Regulatory Reform Initiative, effective July 1, 1996.
June 12, 1996	Corrects errors in the Direct Loan Program final regulations published on December 1, 1994; effective July 12, 1996.
June 14, 1996	Solicits applications for participation the Direct Loan Program.
June 19, 1996	Corrects errors in the Direct Loan Program final regulations published on December 1, 1994, and on December 1, 1995 (most changes affect the new income contingent repayment plan), effective July 1, 1996.
October 8, 1996	Establishes processing deadlines for submitting to the Department promissory notes and electronic records for the 1994-95 and the 1995-96 academic years.
November 27, 1996	Amends the general provisions regulation, part 668. Provides new record retention requirements to schools participating in Title IV programs, consolidates and clarifies existing record retention rules, and reduces administrative burden on institutions, effective July 1, 1997.

DIRECT LOAN PROGRAM REGULATIONS CONT'D

November 29, 1996	Amends the regulations that govern the Direct Loan Program and all other Title IV programs. Changes include: establishment of a payment period definition that applies to all title IV programs; revision of the definition of "disbursement"; requirement that title IV funds be disbursed on a payment period basis; clarification of requirements for early disbursement; and revised student notification requirements. Effective July 1, 1997.
June 3, 1997	Amends the Direct Loan Program regulations to require that an endorser of a Direct PLUS loan or a Direct PLUS consolidation loan is obligated to repay that loan when the borrower's obligation to repay is discharged in bankruptcy. Effective June 3, 1997.
July 1, 1997	Contains revised income percentage factors for the Direct Loan Program's Income Contingent Repayment Plan. Effective July 1, 1997.
November 28, 1997	Modifies the Direct Loan and FFEL Program regulations to eliminate certain differences in the two programs and reduce burden. Effective July 1, 1998.

Appendix Y

Direct Loan Core Publications

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Direct Loans
William D. Ford Federal Direct Loan Program

BORROWER MATERIALS AND CORE PUBLICATIONS

MATERIALS

- Direct Stafford Loan - Promissory Note/Pinfed
- Direct Stafford Loan - Promissory Note/Single Sheet
- Direct Stafford Loan - Promissory Note/Instructions

- Direct Plus Loan - Promissory Note/Pinfed
- Direct Plus Loan - Promissory Note/Single Sheet
- Direct Plus Loan - Promissory Note/Instructions

PUBLICATIONS

All About Direct Loans gives borrowers detailed information about the Direct Loan Program, including the types of Direct Loans, loan disbursement procedures, repayment options, options for postponing repayment, and loan consolidation.

Direct Loans: A Better Way to Borrow gives a brief overview of the Direct Loan Program and includes information on application procedures, loan limits, and a brief description of the repayment options. It also describes the advantages of Direct Loans for student and parent borrowers, schools and taxpayers.

Direct PLUS Loan Basics includes the definition of a dependent student, eligibility criteria, repayment options, options for postponing repayment, and loan consolidation.

Repayment Book explains in detail the four repayment plans available under Direct Loans and gives examples of how each plan works. The booklet includes a table that allows borrowers to see at a glance approximately how much they would repay (per month and in total) under each repayment plan (assuming different debt levels). Worksheets (and supplementary charts) allow borrowers, including Direct PLUS Loan borrowers, to estimate what they would owe under each repayment plan, based on their actual circumstances. The booklet will help borrowers choose the repayment plan best for them.

Direct Loan Core Publications (Continued)

Entrance Counseling Guide for Borrowers (Entrance Borrowers' Guide) covers topics such as loan amounts, interest rates, capitalization of interest, and—briefly—the repayment plans available under Direct Loans. Also discussed are deferments, forbearance, and the consequences of default. The ***Entrance Borrowers' Guide*** includes tips on how students can budget their money so they will have enough to stay in school and to repay their loans later.

Entrance Counseling Guide for Counselors offers tips on what to cover in entrance counseling and gives explanations that follow the order of topics in the ***Entrance Borrowers' Guide***.

Exit Counseling Guide for Borrowers (Exit Borrowers' Guide) explains the role of the Direct Loan Servicing Center, which is responsible for borrower services, including loan collection. The ***Exit Borrowers' Guide*** also explains in greater depth the various repayment plans and covers Direct Consolidation Loans, deferment provisions, forbearance, and discharge (cancellation). It spells out the consequences of default and offers suggestions on how borrowers can budget once they leave school so they can avoid default.

Exit Counseling Guide for Counselors explains what counselors must cover to meet the Department of Education's regulatory requirements, offers tips in organizing counseling sessions, and presents an outline of discussion topics that follows the ***Exit Borrowers' Guide***.

Entrance/Exit Videos and Counseling Kits are designed to supplement written entrance and exit counseling materials. The videos illustrate situations your students are likely to face. You will receive them in a vinyl counseling kit designed to hold the videos and the ***Entrance and Exit Counselor's Guides***. Note that the kit will contain only the videos. Counseling materials may arrive separately.

Publications may be ordered from the
Loan Origination Center—School Relations Division
1 (800) 848-0978

Appendix Z

Direct Loan Quality Assurance Planning Guide

U.S. Department of Education
Office of Postsecondary Education
Student Financial Assistance Programs

THE DIRECT LOAN QUALITY ASSURANCE PLANNING GUIDE

1998-99

Ensuring Continuous Improvement
in the Delivery of Student Financial Aid

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APPENDIX 32

Information contained in this guide, including ***suggested*** management assessment worksheets, will also be provided on diskette to add flexibility in the actual use of this guide by institutions. Further, the format of the management assessment worksheets may be changed or expanded to best fit institutional needs.

INTRODUCTION

Leading organizations are finding that by incorporating quality improvement concepts into their planning and operations, managers can better respond to the needs of their customers while improving the quality of their services. Many financial aid administrators are integrating into their office operations widely recognized quality improvement practices, such as strategic planning, employee involvement, and structured problem-solving. Given the changing nature of student financial aid, these quality improvement practices can be an important means of offering better services to our primary customers—the student aid recipients.

Since 1985, many postsecondary institutions have been working in partnership with the U.S. Department of Education (ED) in testing the basic methodology of continuous quality improvement in administering the Title IV Student Financial Assistance Programs. The Institutional Quality Control Pilot Project demonstrated that quality management techniques and practices can assist institutions in achieving high quality financial aid operations and improve the accuracy of awards to students. The pilot's success has been recognized through the inclusion of the Quality Assurance Program (QAP) as part of the 1992 amendments to the Higher Education Act. Further, Congress authorized in the Direct Loan Program statute the requirement that participating institutions implement a quality assurance (QA) system. The requirement also appears in the Federal Code of Regulations at 34 CFR 685.300(b)(9).

ED has developed this *Quality Assurance Planning Guide (QA Planning Guide)*to assist Direct Loan institutions in establishing quality assurance systems within their financial aid office operations. The quality assurance system described in this document is patterned after the Quality Assurance Program, but it is more specifically focused on activities required for direct lending. Inquiries about the Direct Loan Quality Assurance System should be directed to the regional office of the Direct Loan Account Management Group that services your institution.

The QAP system is Title IV-wide in scope and provides greater management flexibility to participating institutions through regulatory waivers. Institutions wishing to learn more about the Quality Assurance Program are encouraged to contact:

Performance and Accountability Improvement Branch
Office of Postsecondary Education
U.S. Department of Education
(Attn: Quality Assurance Program)
600 Independence Avenue, S.W.
ROB-3, Room 3925
Washington, D.C. 20202

(202) 260-4788

Objectives of ED's Quality Assurance Efforts

The goal of the quality assurance system in the Direct Loan Program is to promote excellence in institutional administration of direct lending. To be effective, the steps for implementing a Direct Loan QA system take into account variations in characteristics and needs among institutions. As a result, both the interests of the federal government and institutions are served because institutions are designing and implementing resource-effective and institution-specific procedures and policies. This should result in improved institutional stewardship of federal funds and improved award accuracy.

Through self-assessment, institutions can identify any deficiencies and address them with management improvements. These actions will enhance performance by reducing or eliminating areas of vulnerability. In the process, institutions are able to:

- understand and comply with Direct Loan Program and certain other Title IV requirements, and integrate these requirements effectively into financial aid office processes and procedures;

- develop innovative management approaches tailored to institutional characteristics, and create an organizational environment supportive of continuous improvement of quality; and

- work cooperatively with ED as the institutions take on the responsibility for quality improvement at the point where funds and services are delivered.

Institutions can meet the QA requirement in the Direct Loan Program by conducting any one of the following options:

1) Completing the Direct Loan Management Assessment contained in the QA Planning Guide and implementing corrective actions; or

2) Completing the Title IV Management Assessment contained in the QA Planning Guide and implementing corrective actions; or

3) Running the Measurement Tools contained in the EDExpress Software and assessming the results in order to implement corrective actions; or

4) Utilizing the NASFAA Self Assessment Guide; or

5) Utilizing any comparable quality assurance methodology or analysis tool.

Note: Institutions participating in ED's Quality Assurance Program (QAP) and the Direct Loan Program are not required to complete the Direct Loan Management Assessment or adopt any additional self-assessment. These institutions will complete the Title IV Management Assessment worksheets prescribed by ED's QAP.

Using the Quality Assurance Planning Guide

This guide has been organized into five steps that are based on ***suggested*** key quality improvement practices as they relate to the role of the financial aid administrator. The steps focus on meeting the needs of the primary customer of the financial aid office—the student recipients of loans, grants, scholarships, and work-study funding. The steps are progressive, with each step building on the step that precedes it. A brief description of each step follows:

- Step One—Setting the Direction emphasizes the importance of developing an overall strategy for establishing a quality assurance system and understanding the needs and expectations of students. It entails mobilizing the support of institutional leaders and assessing the resources that will be available to conduct quality assurance activities.
- Step Two—Involving Staff addresses the importance of identifying the appropriate staff members within the financial aid office and in other offices on campus who should be involved in initiating and maintaining the QA system. It also emphasizes the importance of clear communication, teamwork, and recognizing contributions of staff.
- Step Three—Assessing Operations describes how to conduct an evaluation of office operations using an assessment instrument. It provides a method for periodically evaluating financial aid procedures against federal requirements and for identifying areas that need improvement.
- Step Four—Taking Action helps institutions use the results of the assessment to remedy areas of vulnerability and implement new procedures to improve financial aid office operations. It assists financial aid administrators to schedule and monitor identified improvement activities.
- Step Five—Reviewing Progress describes both the use of the assessment results as a baseline for continuous improvement and the recurring assessment activities institutions will perform in subsequent years. It also provides an overview of networking opportunities with other direct lending institutions. ***There is no reporting requirement to ED. Institutions will maintain documentation concerning its quality assurance system in a QA Master File at the institution.***

STEP ONE—SETTING THE DIRECTION

Implementing a quality assurance system for the Direct Loan Program presents a unique opportunity. It will allow institutions to help ensure a successful student financial aid system using approaches that are suited to individual institutional characteristics. To do this, senior managers, including the financial aid administrators, must help set the direction for their institutions to implement Direct Loans from a perspective of continuous quality improvement. Key planning considerations include:

- securing and sustaining the commitment of institutional top managers;
- engaging the participation and partnership of institutional staff;
- creating and coordinating a schedule for implementation; and
- focusing on improving services to students.

Institutions that are already involved in quality improvement programs at some level will have a head start, as will institutions whose top managers are already committed to quality assurance concepts. The goal of setting the direction is to make realistic and good faith efforts to maintain a program focused on continuous improvement that will result in the sound administration of Direct Loans and the improved stewardship of Title IV funds. Techniques that can be used in carrying out improvement goals follow.

Securing and Sustaining the Commitment of Institutional Top Managers

The sustained commitment and participation of institutional senior managers in partnership with the financial aid administrator are necessary for a successful QA system that yields continuous improvement. Early involvement will help establish an environment that is conducive to change.

Institutions that utilize quality assurance principles have found that communication is key in obtaining and maintaining support from supervisors and others who have the power to make management decisions and authorize resources. For example, memoranda, presentations, and briefings to appropriate personnel about the tasks the financial aid office and other offices must undertake to implement a quality assurance system are mechanisms to help elicit the necessary support and commitment from senior managers.

Engaging the Participation and Partnership of Institutional Staff

Financial aid administrators have always understood that the effective delivery of student aid involves other offices at their institutions, including the registrar's, admissions, and business offices. As a result, the active participation of those offices in developing and sustaining a QA system for Direct Loans is central to the success of the program.

One means of involving institutional staff members is to invite representatives of other offices to participate as an integral part of the QA team in assessing operations. Not only would their active involvement benefit financial aid office operations, it would also help to strengthen the overall coordination of student services within the institution. Because they are part of the team, staff members are more likely to be willing to assist when areas needing improvement require some modification of their offices' procedures.

Similarly, it is important to gain the involvement of staff members at all levels of the organization. The ***Department of Education's Quality Assurance Program*** (QAP) has shown that individuals on the "front lines" have many good ideas about how to improve services because they have first-hand experience with the effects of policies and procedures on students and other financial aid office customers.

Creating and Coordinating a Schedule

Establishing a realistic schedule for completing activities related to the assessment of operations and for taking action to modify areas that need improvement is basic to the success of a QA system. It provides a complete picture for the year of what tasks need to be performed and, therefore, helps everyone involved stay on track throughout the process.

Financial aid offices have many responsibilities, including those that are time sensitive. In addition, there will be new assignments with respect to implementation of the Direct Loan Program. As a result, consider linking the assessment of operations process to the financial aid office's master calendar and the master calendars of the other offices involved. This will ensure sufficient lead time to collect information and begin making improvements. Once again, communicating with key offices and individuals at the institution by providing updates on the progress of the QA effort and soliciting feedback and support along the way is very important.

Each institution has the latitude to develop its own calendar. Institutions are not required to provide reports to ED concerning the quality assurance system implemented for the Direct Loan Program. Information regarding its quality assurance system is maintained in a QA Master file at the institution and made available to ED staff during on-site reviews .

Focusing on Improving Services to Students

The primary mission of the financial aid office is to serve the needs of its students. As a result, financial aid administrators might wish to examine office procedures and continuously improve the capability of financial aid office operations to assure student satisfaction. Examples of responsive approaches to address customer needs and expectations include:

- soliciting and measuring periodic feedback from customers;
- establishing communications channels for customers so they can have easy access to the financial aid information they need;
- initiating processes and appropriate oversight to ensure that requirements are being carried out in a timely, accurate, and effective manner; and
- determining organizational measures and service standards based on knowledge about customer requirements and expectations, and (as feasible) benchmarking data resulting from a comparative analysis of other institutions.

STEP TWO—INVOLVING STAFF

Widespread participation of staff members at all levels in the organization has proven to be a successful practice at institutions utilizing quality assurance principles. Involving staff members and organizing them into various teams to address implementation and modifications as needed might take some effort at the outset, as would any transition to a different mode of administration. However, when staff members become problem solvers, they are able to strengthen the effectiveness of office operations within a dynamic financial aid environment. Opportunities for employee teamwork and training are important ways to link staff members' insights and skills to improvement efforts.

How to Use Teams

Institutions utilizing quality assurance principles have ascertained that a team approach is an important technique to use to develop the necessary staff support for implementing a quality assurance system. Employee involvement through the use of teams is effective because it accomplishes certain important objectives, such as:

- helping to coordinate quality assurance procedures within and across institutional offices;
- providing a pool of resources for information, ideas, and implementation;
- aiding in the dissemination of information about the quality assurance system, thereby increasing visibility and potential support; and
- contributing to a widespread commitment to improving quality.

Here is one example of how the team approach could be used to implement the assessment activities (Step Three) and improvement activities (Step Four) in a Direct Loan QA system.

> *The school organized a team to oversee* assessing operations, *with team members recruited from offices on which the administration of the Direct Loan Program will have an impact (for example, certainly the financial aid office, but also the business office). The team then established work groups* to accomplish the assessment *based on the function being evaluated. In this way, the Assessment process benefitted from input of staff across functions and at all levels.*
>
> *As the Assessment team completed the evaluation and identified and prioritized areas that needed attention, a set of task teams were assembled to* perform any improvement actions that may be required *Similar to the Assessment team, the task teams involved staff members who crossed functions and levels. That is, each task team included a combination of individuals who were affected by the area designated for improvement and by individuals who were knowledgeable about that area.*

How to Make Teams Most Effective

Based on the experience of the institutions utilizing quality assurance principleand other organizations committed to continuous improvement, team members work together more effectively when they receive adequate training and recognition for their contributions.

- **Training** consists of activities that enhance teamwork, such as team building, brainstorming, and problem-solving (more information on this type of training can be obtained from EDBerformance and Accountability Improvement Branch. Just as important, training also includes providing opportunities for staff members to become more technically proficient through participation in ED training workshops, through programs offered by various associations, and through in-service training sponsored by the institutions themselves.

- **Recognition** is an important way to let staff members know that the efforts they are making to establish and maintain the excellence of the financial aid operation are appreciated. Examples of ways to recognize staff include written commendations from school presidents or deans, award ceremonies, and announcements in school newsletters or newspapers.

STEP THREE—ASSESSING OPERATIONS

The Management Assessment Worksheetstools provided in this Planning Guideassist financial aid administrators to review administrative procedures against federal requirements, identify strengths and weaknesses of office operations, and begin to remedy areas of institutional vulnerability.

Institutions may, but are not required to use either of the worksheets discussed in this section. Other assessment documents or tools such as the Measurement Tools provided in EDExpress, NASFAA's Self-Assessment Guide, or a comparable quality assurance methodology or analysis may be used.

The Direct Loan Program Management Assessment (MA) Worksheet that follows consists of a set of questions to help users evaluate their readiness to implement direct lending without being overwhelmed by the process. This worksheet permits institutions to do very basic examinations of their operations. However, it does not constitute a comprehensive examination of institutional compliance and effectiveness for the entire Title IV system of which the Direct Loan Program is a part.

Institutions participating in ED's Quality Assurance Program are not required to complete the Direct Loan Program Management Assessment (MA) Worksheet or adopt any additional self-assessment tool other than the Assessment Worksheets prescribed by ED's Quality Assurance Program

The expanded Title IV-Wide Management Assessment Worksheet appears in the Appendix of this *QA Planning Guide*. Institutions can use the worksheet to conduct a full-scale evaluation of their adherence to federal requirements. Institutions have the option of completing either the Direct Loan or Title IV-Wide version of the MA worksheet, the Measurement Tools provided in EDExpress, NASFAA's Self-Assessment Guide, or a comparable quality assurance methodology.

Users of this *QA Planning Guide* should note that no matter which assessment tool an institution chooses to complete, if handled as a structured problem-solving activity it becomes a powerful means to serve the interests of the students, the school, the financial aid staff, and the federal government.

Instructions for Completing the Management Assessment Worksheets

Institutions should review the following Management Assessment Worksheet to ensure that key processes are in place in order to effectively integrate the Direct Loan Program. In completing the Management Assessment:

1. **Identify institutional staff members** to serve on Management Assessment team(s). Teams can be assigned at various stages of the Management Assessment process and can be grouped to address specific program areas (such as student eligibility) or functional areas (such as database management).
2. **Have team members review the Title IV provision** or procedure that is specified in the first column, "Major Functional Requirements," and determine if institutional procedures are available and if they fully address requirements. Indicate whether the step is initiated or completed. (For further information or clarification, consult cited statutory and regulatory provisions, the Title IV-Wide Management Assessment Worksheet, and/or the *Federal Student Financial Aid Handbook*)
3. **Make a judgment about the effectiveness** of the institution's existing procedures and practices and determine areas that need improvement.

4. **Determine the priority for implementing improvement actions** based on such factors as potential institutional liability, benefits, resources, and timing. Determine whether the improvement is required immediately, or will take more time to implement.

5. **Determine which activities** should be addressed first, and list them in order of priority using any form or format convenient for the institution. Then, the institution documents the priority list in the QA Master File.

On completing the Management Assessment Worksheet, institutions will have identified to lesser or greater degrees the areas of the financial aid operation that require further improvements. Through these activities, institutions become more aware of the extent to which they are complying with federal requirements.

Once institutions have completed the Management Assessment, they can proceed to Step Four. It has been designed to help institutions take action based on their findings. Note that institutions are not required to forward the Management Assessment Worksheet or any quality documentation regarding the assessment instrument it adopts to ED. However, it must maintain a copy of assessment documentation in its QA Master Files.

Direct Loan
Management Assessment Worksheets

A. INSTITUTIONAL PARTICIPATION

As stewards of federal funds, institutions must meet certain eligibility standards to assure that Title IV funds are deliverted students accurately and effectively. In addition to overall Title IV program requirements, senior administrators should ensure that the following standards are fully addressed in order to effectively participate in the Direct Loan Program.

Requirements	Recommended Assessment Steps	Recommended Assessment Offices	Status
Has your institution ensured that it is operating in accordance with the provisions stipulated in the signed Program Participation Agreement and Addendum? (HEA, §668.14, §685.300)	Review Direct Loan Addendum to the Program Participation Agreement	Financial Aid Director Senior Level Management	____ Completed ____ Initiated
Can your institution ensure that it awards financial aid only to students enrolled in courses meeting the requirements of an eligible program? §668.32	Review Accrediting Agency Approval of Program	Financial Aid Director Registrar	____ Completed ____ Initiated
Has the financial aid office or another entity within the institution been designated to coordinate all sources of assistance offered to students throughout your institution? §668.16	Prepare a list of all institutional offices with awarding authority	Financial Aid Director Senior Level Management	____ Completed ____ Initiated
Has your institution designated an adequate number of trained, capable personnel to administer the student aid programs? (§668.16) **Consider whether:** • **appropriate staff (e.g., fiscal officers, registrar, financial aid counselors, clerical staff, work-study students) has been trained on new procedures, software, etc.** • **new procedures are being disseminated as appropriate**	Review Staffing Levels in conjunction with functional duties of the financial aid office.	Financial Aid Director Senior Level Management	____ Completed ____ Initiated

Requirements	Recommended Assessment Steps	Recommended Assessment Offices	Status
Does you institution have a system of identifying and resolving discrepancies in SFA-related information? §668.16	Review Policies & Procedures Manual and test procedures in this area	Financial Aid Staff	____ Completed ____ Initiated
Does you institution have an adequate system of internal checks and balances that, at a minimum, separates the function of authorizing payments and disbursing or delivering funds? §668.16	Review awards & disbursing authority	Financial Aid Office Fiscal Office	____ Completed ____ Initiated
Does your institution have acceptable default rates? Default Management Plan?	Review default prevention measures	Financial Aid Staff	____ Completed ____ Initiated
Does your institution meet financial responsibility requirements? §668.15, §668.171-175,	Review areas of financial responsibility	Financial Aid Director Fiscal Officer Senior Level Management	____ Completed ____ Initiated
Does your institution meet administrative capability requirements? §668.16	Review areas administrative capability	Financial Aid Staff Fiscal Office Staff Registrar Office Staff	____ Completed ____ Initiated
Does your institution participate in all electronic processes that are required by the Department, if the processes are provided at no substantial charge to the institution? November 29, 1996 regulations; Project EASI initiative.	Review 11/29/96 regulations for compliance	Financial Aid Director Computer Specialist Senior Level Management	____ Completed ____ Initiated

Requirements	Recommended Assessment Steps	Recommended Assessment Offices	Status
Does your institution have one definition of payment period that is applicable to all SFA Programs, except FWS? November 29, 1996 regulations; SFAH pgs 3-39 thru 3-44; Project EASI initiative	Review applicable regulation citation	Financial Aid Director Fiscal Officer	____ Completed ____ Initiated
Does every eligible program, including graduate programs, have a defined academic year that contains a minimum of 30 weeks of instructional time? §668.8	Review eligible programs against academic year definition	Financial Aid Director Registrar	____ Completed ____ Initiated
Does your institution contract only with eligible third-party servicers as defined by regulatory criteria ? § 668.25	Review third party servicer contracts against regulatory criteria	Financial Aid Director Senior Level Management Interested Staff	____ Completed ____ Initiated
Does your institution notify ED if it enters into a new contract with a third-party servicers or significantly modifies a contract with an existing third-party servicer, or a third-party servicer ceases to provide contracted services, goes out of business or files for bankruptcy? § 668.25	Review notification requirements	Financial Aid Director Senior Level Management Interested Staff	____ Completed ____ Initiated

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B. FISCAL MANAGEMENT

To effectively transmit funds from the federal government to Direct Loan recipients, institutions must have sound financial systems and procedures in place. By reviewing the institution's accounting practices against the following requirements, financial aid and fiscal administrators will help to ensure that key processes are in place to enable the timely and accountable management of Direct Loan Program funds.

Are bank accounts into which ED transfers funds or the school deposits SFA funds, maintained in accordance with 668.163?	Review bank notification regarding account identification	Fiscal Officer Financial Aid Director	____ Completed ____ Initiated
Does the institution remit to ED any interest earned on Direct Loan, Pell Grant, FSEOG or FWS program funds that exceeds $250 per year? Or, does the institution meet one of the exceptions to interest-bearing account or investment account requirement? §668.163	Review interest earnings against 668.162 exceptions	Fiscal Officer Financial Aid Director	____ Completed ____ Initiated
Does your institution have standard procedures to ensure that it accounts accurately for the receipt and disbursement of all aid funds? §668.161, §668.163(d), §668.165	Review fiscal procedures	Fiscal Officer Financial Aid Director	____ Completed ____ Initiated
Does the institution maintain its financial records in accordance with recordkeeping requirements in 668.24?	Review fiscal procedures	Fiscal Office Staff Financial Aid Director	____ Completed ____ Initiated
Does your institution ensure that it only draws down funds to be disbursed within the time frame prescribed by the system you are using, e.g. advance payment or just-in-time payment methods? §668.162	Review drawdown determination procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated

Does your institution monitor authorization amounts and ensure that cash draws reflect the amount the institution needs immediately for disbursements? §668.162	Review fiscal procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
Does the institution disburse Title IV funds on a payment period basis? §668.164	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
In addition to crediting a student's accounts, does the institution disburse SFA Program funds "directly" by one of the four methods outlined in 668.164?	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
If the institution has obtained voluntary authorization from the student or parent to hold excess funds (credit balances, does the institution maintain, at all times, cash in its bank account at least equal to the amount that it holds for students? §668.165	Review disbursement procedures	Fiscal Office Staff	____ Completed ____ Initiated
If a student or parent borrower rescinds authorization to hold excess funds, does the institution pay these funds within specified time frames?	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
Does the institution follow "early" and "late" disbursement rules contained in §668.164?	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
Does the institution follow "excess cash" provisions as outlined in § 668.166?	Review procedures for excess cash determination and return of funds	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated

Does the institution provide exit counseling for Direct Loan borrowers? §668.304 (Experimental Sites Exemption may apply if institution is participating in Ex Sites)	Review reconciliation procedures and DL reconciliation reports	Staff Assigned to Direct Loan Reconciliation activity	____ Completed ____ Initiated
Does the institution's treatment of excess loan proceeds comply with §685.303?	Review Exit Counseling Procedures Pull random sample of 10 withdrawing/graduating students with Direct loans	Staff Responsible for this activity	____ Completed ____ Initiated
Does the institution's treatment of excess loan proceeds comply with §685.303?	Review procedures for return of excess Direct Loan proceeds	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated

C. RECIPIENT ELIGIBILITY

Institutions are charged by the federal government to ensure that Direct Loan applicants meet all of the required provisions be considered for and to receive student financial aid. Reviewing the following areas will assist institutional administrators to determine if their institutional procedures are meeting general eligibility requirements for student financial aid recipients.

Does your institution have a system to verify that financial aid recipients meet all eligibility requirements in accordance with §668.32-39 of the Student Assistance General Provisions?	Review general student eligibility criteria	Financial Aid Office Staff Fiscal Office Staff Registrar Office Staff	____ Completed ____ Initiated
Does your institution ensure that the student who applies for a Direct Subsidized or Unsubsidized Loan is enrolled at least half-time as a regular student in an eligible program, and that Direct PLUS Loans are originated only for parents of such students? §685.200	Review procedures in view of applicable regulation	Financial Aid Office Staff Registrar Office Staff	____ Completed ____ Initiated

Does the institution ensure that it does not originate Direct Loans for a students from both the Direct Loan and FFEL programs for attendance at the school for the same enrollment period? §685.100	Review procedures in view of applicable regulation	Financial Aid Staff Fiscal Office Staff	____ Completed ____ Initiated
Does the institution ensure that Direct Loans borrowers are not enrolled in a medical internship or residency program?	Review procedures in view of applicable regulation	Financial Aid Staff	____ Completed ____ Initiated
Does the institution ensure that a Direct Loan borrowers who have canceled a previous Direct Loan due to total and permanent disability has reestablished eligibility for a new loan in accordance with regulatory requirements? §685.200	Review procedures in view of applicable regulation	Financial Aid Staff	____ Completed ____ Initiated
Does the institution ensure that a Direct Loan borrowers who is in default, who have obtained federal student loans in excess of annual or aggregate loan limits, or who have received SFA overpayments has reestablished eligibility for a new loan in accordance with regulatory requirements? §668.32	Review procedures in view of applicable regulation	Financial Aid Staff	____ Completed ____ Initiated
For Direct PLUS loan applicants, has the institution established that the parent borrower is a student's biological or adoptive parent, or legal guardian? Or the spouse of a parent who remarries, if the spouse's income and assets would have been included on the student's FAFSA? § 685.200	Review procedures in view of applicable regulation	Financial Aid Staff	____ Completed ____ Initiated
For Direct PLUS loan applicants, does the institution ensure that the parent borrower meet eligibility criteria outlined in 685. 200?	Review procedures in view of applicable regulation	Financial Aid Staff	____ Completed ____ Initiated

Does the institution ensure that it does not permit the Direct PLUS Loan applicant to borrow a Direct PLUS Loan and a FFEL PLUS loan for the same student for the se enrollment period at the school? §685.200(b)(i)	Review procedures in view of applicable regulation	Financial Aid Staff	____ Completed ____ Initiated
Does the institution ensure that Direct PLUS Loans are not given to parents who have adverse credit history unless the parent obtains an endorser with no adverse credit history or demonstrates extenuating circumstances? §685.200	Review procedures in view of applicable regulation	Financial Aid Staff	____ Completed ____ Initiated
Does your institution have a system for collecting all required student certifications and transcripts for students who previously attended another postsecondary institution? (§668.19, §668.32-33)	Review procedures in view of applicable FAT regulation and NSLDS	Financial Aid Staff Registrar Office Staff	____ Completed ____ Initiated
Is your institution in compliance with all applicable verification regulations found in §668.53 - 668.60? (If you are a Quality Assurance Program (QAP) institution, see the QAP Workbook for exemptions).	Review procedures in view of applicable regulation Test a sample of files	Financial Aid Staff	____ Completed ____ Initiated
Has your institution established proper budgets/cost of attendance (COA) to use in determining students' need for federal aid programs? (HEA 1992)	Review procedures in view of applicable statute or SFA Handbook guidance	Financial Aid Staff	____ Completed ____ Initiated
Does your institution collect and maintain the data relevant to each student's application for federal aid (i.e., the ISIR)? § 668.24	Review procedures in view of SFA Handbook & ISIR Guide guidance	Financial Aid Staff	____ Completed ____ Initiated

D. AWARD CALCULATION AND DISBURSEMENT

Financial aid administrators must be mindful of specific federal provisions that set parameters on the type, amount, timing, and sequence of financial aid awards to meet the financial need of Title IV recipients. The following are program-specific criteria that fiscal and finanicaid administrators should review to ensure that their institutional procedures are aligned with Direct Loan Program parameters.

Does the institution determine Federal Pell Grant eligibility prior to award Direct Subsidized and Direct Unsubsidized Loans? § 685.200	Review awarding procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution determine Direct Subsidized eligibility prior to awarding a Direct Unsubsidized Loan? SFAH, Chapter 11	Review awarding procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution calculate Direct Subsidized Loan eligibility in accordance with the statutory formula? SFAH, Chapter 11	Review awarding procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution calculate need for Direct Unsubsidized and Direct PLUS Loan with the statutory formula? SFAH, Chapter 11	Review awarding procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution ensure that any information it provides ED in connection with loan origination is complete and accurate in accordance with requirements contained in §685.301?	Review loan origination procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution conduct initial counseling prior to mg the first disbursement? §685.304	Review loan counseling procedures	Staff responsible for loan counseling	____ Completed ____ Initiated

Prior to disbursing SFA Program funds for any award year, does the institution notify a student of the amount of SFA Program funds the student and his or her can expect to received for each SFA Program and how the funds will be disbursed? §668.165	Review award notification procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution obtain signed and completed Direct Loan promissory notes from Direct Loan borrowers prior to disbursing the first disbursement of a Direct Loan? §685.201, §685.303	Review promissory note tracking procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution delay disbursement for first-year, first-time students who are subject to the 30 day delay provision? §668.164	Review disbursement procedures	Financial Aid Staff Fiscal Office Staff	____ Completed ____ Initiated
For the Direct Loan and FFEL Programs, does the notice indicate which funds are from a subsidized loan and which are from an unsubsidized loan? November 29, 1996 regulations	Review award notification procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution notify a borrower, who will not be paid directly by check, of his right to cancel the loan, at or close to the time the funds are actually disbursed and the debt incurred? §668.165	Review award notification procedures	Financial Aid Staff	____ Completed ____ Initiated
If the borrower wishes to cancel the loan, does the institution honor the request if it is received within the 14 day cancellation window? §668.165	Review loan cancellation procedures	Financial Aid Staff	____ Completed ____ Initiated

Does the institution notify a borrower when a loan disbursement occurs and give the borrower the opportunity to replace credited loan proceeds with other funds? November 29, 1996 regulations	Review disbursement & loan notification procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution notify the borrower in writing or electronically whenever it credits the student's account with Direct Loan, FFEL, or Perkins Loan program funds? Within specified timeframes? §668.165	Review disbursement & loan notification procedures	Financial Aid Staff	____ Completed ____ Initiated
Does the institution obtain authorization from a student (or parent borrower) before • disbursing SFA funds by EFT to a bank account designated by the student? • using SFA funds to pay for allowable charges other than tuition, fees, room & board? • holding excess SFA funds (credit balances)? • applying SFA Program funds to prior-year charges? §668.165	Review disbursement & loan notification procedures	Financial Aid Staff	____ Completed ____ Initiated
Unless a student is eligible to receive a late disbursement, does the institution disburse SFA Programs funds to a student or parent for a payment period only if the student is enrolled for classes for the payment periods eligible to receive those funds? §668.164	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
If the institution disburses Direct Loans to student accounts, does the institution first use Direct Loan funds to pay for outstanding allowable charges? 685.165 SFAH 3-64 & 3-65	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated

Does the institution pay any credit balance that was created by SFA Program funds to the student within specified timeframes? §668.165	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
Does the institution obtain voluntary authorization from the student or parent to hold excess funds (credit balances)? §668.165	Review borrower authorization procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
If so, does the institution identify the student or parent and the amount of funds the school holds for the student/parent in a subsidiary ledger account designed for that purpose? §668.165	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
If so, does the institution maintain, at all times, cash in its bank account at least equal to the amount that it holds for students? §668.165	Review cash management policies	Fiscal Officer Financial Aid Director	____ Completed ____ Initiated
Notwithstanding any authorization obtained from a student or parent to hold excess funds, does the institution pay excess funds in accordance with timeframes specified in 668.164?	Review disbursement procedures	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated
Does the institution follow requirements in §668.164 regarding use of SFA Program funds to pay prior year charges?	Review applicable regulation citation to determine compliance	Fiscal Office Staff Financial Aid Staff	____ Completed ____ Initiated

E. REPORTING AND RECONCILIATION

As with other business operations, institutions must maintain record systems that are auditable and that allow for preparation of appropriate reports. Also, procedures must be in place to allow for reconciling accounts and adjustments made to awards due to changes in areas such as the student's enrollment status or the family's financial circumstances. To ensure that the reconciliation of institutional and individual financial aid accounts is being handled appropriately, the following baseline criteria should be carefully reviewed.

Does your institution have standard procedures for adjusting disbursements as a result of verifying data, resolving conflicts, changes in student status, or receipt of additional aid? §668.16, §668.59	Review awarding procedures	Financial Aid Staff	____ Completed ____ Initiated
Does your institution properly document changes in students' dependency status or other changes involving professional judgment on a case-by-case basis?	Review awarding procedures	Financial Aid Staff	____ Completed ____ Initiated
Is your institution's refund formula fair and equitable, allowing for the most beneficial treatment for the student in accordance with §668.22?	Review refund policies and procedures	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated
Are refund determinations made in accordance with regulatory requirements? §668.22	Review refund policies and procedures	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated

Does your institution have a system to ensure that refunds are made within required time frames and credited to the appropriate Title IV accounts in accordance with the refund distribution order as specified in §668.22? **Consider:** • **procedures to ensure proper/timely returns to ED/Federal Reserve Bank of undisbursed funds drawn down** • **procedures for processing loan and disbursement cancellations** • **procedures for calculating and reconciling refund amounts**	Review refund policies and procedures	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated
Does your institution reconcile Title IV disbursement records (general ledger/journal of expenditures) to other data sources (e.g., authorization levels, EDPMS 272 Reports (GAPS), FISAP, and Student Payment Summary Reports) and maintain verifiable, auditable data in support of these records? §685.309	Review reconciliation procedures	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated
Does the institution initiate data matching (reconciliation) with the Loan Origination Center system within specified time frames? Direct Loan School Guide	Review Direct Loan Reconciliation procedures and reports	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated
Does the institution process Direct Loan cancellations and adjustment in accordance with established criteria? Direct Loan School Guide	Review Direct Loan cancellation and adjustment procedures	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated

Does your institution verify that accurate information on student status (SSCR) is reported to ED for Direct Loan borrowers? §685.309; Direct Loan Guide **Consider:** • **procedures for timely, accurate review of Student Status Confirmation Report and updating enrollment information with servicer**	Review Direct Loan SSCR procedures	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated
Has the institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan Program? **Consider:** • **use of ED-supplied software or other software** • **entering data through EDExpress or other system** • **in-house production or servicer production of applications and promissory notes** • **entering PLUS application data by institution or other method** • **Student Status Confirmation Reports generated electronically**	Review automation requirements	Financial Aid Director Fiscal Officer Computer Specialist Senior Level Management	____ Completed ____ Initiated

Has your institution put in place disbursement procedures for Direct Loans as required by §455(j) of the HEA, as amended? **Consider:** - **procedures to ensure timely transmission of the loan origination record to the servicer** - **procedures to resolve rejects that do not pass servicer edits**	Review Direct Loan requirements in DL School Guide	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated
Does your institution have a procedure to ensure that Direct Loan promissory notes are properly safeguarded against the risk of loss or destruction prior to their transmission to the Direct Loan servicer? §685.309, §685.301 **Consider:** - **procedures to ensure timely transmission of hard copy promissory notes to the ED servicer** - **tracking procedures (if/when returned from borrower; date sent; servicer confirmation)**	Review Direct Loan requirements in DL School Guide	Financial Aid Staff and/or Fiscal Office Staff	____ Completed ____ Initiated

STEP FOUR—TAKING ACTION

In the process of completing Assessment activities, institutions will identify those areas of their operations that require further improvements. Plans are then be developed for implementing new or enhanced procedures and improved levels of compliance to legislative requirements. The Management Action Plan Worksheet that follows can assist institutions to plan these activities and monitor progress. Each institution may establish its own methods for creating and carrying out changes that improve existing systems by taking into account available resources and office capabilities.

Instructions for Completing the Management Action Plan

During Step Three's Management Assessment, an institution decides which areas to target for improvement. Whether an institution decides to use the Management Action Plan Worksheet or another approach, the following steps may be taken in developing process improvements.

1. **Identify institutional staff members to serve on Management Action Planning task teams** The composition of each task team should reflect the area(s) designated for near-term improvement to which the team is assigned.

2. **Describe the area to be improved** at the top of the Worksheet where it states "Description of Area Requiring Improvement," and include the corresponding question from the Management Assessment Worksheet next to "MA Ref."

3. **Identify the actions necessary to promote improvement** and list these actions in the first column under "Action Item."

4. **Summarize the resources necessary for each Action Item** in the second column, "Resources Needed," by listing resources (such as computer hardware/software and additional personnel) necessary to successfully implement a specific action item.

5. **Decide who would be the best individuals to assure** that each action item is carried out and what the time frame should be. Record the information in the first column under "Proposed" in the "Person(s) Responsible" column.

6. **Decide when implementation of each action item** is expected to begin and end in the columns under "Proposed" entitled "Start Date" and "End Date."

7. **Develop a monitoring process** and document it at the bottom of the worksheet next to "Description of Monitoring Procedures." For example, the task team as a whole could be responsible for overseeing that progress is being made with each action item, or individual members could be assigned to specific action items by staying in contact with the people who have direct responsibility for implementing the changes.

8. **Record changes to the plan as part of the monitoring process** by noting in the appropriate columns under "Actual" modifications to action items, person(s) responsible, and start and end dates.

As institutions plan and implement improvement activities, they file their Management Action Plan Worksheet(s)—or the materials they developed to document the actions they are taking—in their QA Master File. Note that institutions are not required to forward these materials to ED.

MANAGEMENT ACTION PLAN WORKSHEET

Description of Area Requiring Improvement:

MA Ref:

Action Item	Resources Needed	Proposed			Actual		
		Person(s) Responsible	Start Date	End Date	Person(s) Responsible	Start Date	End Date

Description of Monitoring Procedures:

STEP 5—REVIEWING PROGRESS

Any effective quality assurance system must be viewed as an ongoing, continuous process. Steps One through Four have assisted institutions with completing their assessments and improvements. In subsequent years, institutions will perform follow-up assessments that examine the effectiveness of their improvement initiatives and determine whether their administrative procedures remain effective in ensuring quality. These assessments will result in further initiatives to improve management systems.

The activities presented in this step have been developed to assist institutions to learn from the results of their initial self-assessment and problem-solving activities. These activities will also provide a baseline for more extensive measurement and analytical activities in subsequent stages of the QA initiative. They involve:

- continuous assessment and improvement activities;
- documenting progress in the QA Master File; and
- networking within the financial aid community.

Continuous Assessment and Improvement Activities

With the changing nature of regulatory issues, institutional characteristics, and technological capabilities, institutional officials continually assess and reassess office operations to help them prepare for future challenges. It is important that institutions participating in the Direct Loan Program regularly perform a management assessment and develop management improvement initiatives designed to correct problems, enhance operations, and strengthen management systems. At a minimum, institutions review their procedures for administering the Direct Loan Program, focusing particular attention on those areas in which changes were introduced by the institution or in which federal requirements have changed.

Institutions are encouraged, however, to expand over time the scope of the management assessments they perform. The Appendix offers a framework by providing a management assessment that is Title IV-wide in scope.

Completing the entire assessment as described in the Appendix in one year might not be feasible for all institutions. For this reason, the assessment is divided by functional areas. Institutional administrators may select those areas of the assessment they believe are most relevant for their institutions. Completing the entire Appendix will help determine whether an institution is in compliance with key requirements of the federal student financial assistance programs.

Networking within the Financial Aid Community

A major focus of the QA initiative is to involve all Direct Loan institutions—working together as partners with ED—to continually enhance the delivery of the student financial aid programs. The QA networking approach has been designed to further this goal by providing a vehicle for Direct Loan institutions to share information on effective financial aid office management practices and to share recommendations with ED. Communicating with peers is aimportant element of the QA system. Actively sharing successful practices with colleagues can help all financial aid administrators work more effectively.

Although networking is at the institution's option, its purpose is to help Direct Loan institutions develop a common awareness of quality improvement principles and to learn about effective ways to administer student aid. To expedite networking, information will be disseminated to all participating Direct Loan institutions through the Information for Financial Aid Professionals (IFAP) web site and the Direct Loan web site at www.ed.gov.DirectLoan.

The following are an initial set of activities planned for the Direct Loan QA networking process. ED will provide leadership and technical assistance in getting the networking process started; however, institutions are encouraged to eventually establish "partnership" forums, task teams, and steering committees to work alongside ED in improving the administration of student financial aid.

Sharing Successful Office Practices

On an ongoing basis, or at least once a year, institutions should submit to the network a successful activity describing a significant achievement in improving the institution's delivery of financial aid that came about as a result of implementing a quality assurance system. Participating Direct Loan institutions are encouraged to review their office operations and determine which areas are successful in terms of office practices, work processes, and management approaches. Some examples of effective office practices might include:

Office Coordination

- Establishing a comprehensive master calendar
- Interacting regularly with the admissions, registrar's, and business offices
- Integrating computer systems with financial aid operations
- Packaging and disbursing financial aid
- Monitoring work-study earnings

Correspondence Control

- Maintaining updated office procedures/manuals
- Developing useful office forms and standard correspondence
- Collecting necessary data and documentation
- Completing financial aid transcripts
- Maintaining effective filing, retrieval, and storing systems

Student Services

- Providing up-to-date student consumer information and financial aid handbooks
- Conducting responsive appointment scheduling and counseling services
- Establishing responsive phone systems
- Providing full one-stop services to aid recipients
- Conducting effective entrance and exit loan counseling

Submissions should be provided as an abstract with a narrative of the activities and benefits achieved. Please identify a point of contact in case further information or clarification is needed. A suggested format follows:

1. Identify a successful practice or activity that is being conducted at your institution.
2. Briefly describe the nature of your financial aid office operations and how this activity has been successfully implemented at your institution.
3. Explain the major benefits achieved and lessons learned in implementing this activity.

Recommendations for ED Quality Improvements

ED is also interested in making improvements to the Direct Loan Program. As a result, at the institution's option, financial aid administrators and quality assurance team members are encouraged to convey their ideas or suggestions for improvements in ED policy or operations. This can be done either in writing or through the planned electronic mail bulletin board. This information will be shared with appropriate ED offices and contractors for review with the goal of improving overall delivery processes. A suggested format for recommendations follows:

1. Provide both a brief description of an existing ED activity that you feel should be improved and your recommendation for improvement.
2. Describe an existing ED Title IV regulatory requirement that you feel should be modified or eliminated—consistent with legislative intent—and how this would improve student financial aid delivery at institutions.

Direct Loan institutions can play vital roles in establishing effective practices that promote continuous improvement in administering financial aid operations and providing services to students. Through networking opportunities, institutional officials can share their ideas with colleagues on successful office practices that are responsive to student circumstances, problems, and needs without adding burden to financial aid staff. As the Direct Loan Program expands and evolves, it is hoped that high-quality financial aid practices will be adapted to all Title IV programs and shared among institutions nationwide.

APPENDIX
TO THE DIRECT LOAN
QUALITY ASSURANCE PLANNING GUIDE

TITLE IV-WIDE MANAGEMENT ASSESSMENT
TECHNICAL ASSISTANCE DOCUMENT

TITLE IV-WIDE MANAGEMENT ASSESSMENT

Even though institutions must comply with a common body of Title IV requirements, administrative procedures can vary widely depending on an institution's size, student population, resources, funding policies, and facilities. As a result, financial aid administrators have traditionally developed procedures that take both federal requirements and their institution's character into account. Recognizing this need for institutional discretion, ED has developed a comprehensive Management Assessment document for the use of postsecondary institutions that summarizes key technical provisions of the Title IV Programs.

The Management Assessment has been designed to help financial aid administrators evaluate the full scope of their delivery systems and office procedures in the context of federal student aid requirements. It has been developed in conjunction with members of the financial aid community and has originated from a similar self-assessment instrument used by institutions participating in the Quality Assurance Program. Financial aid administrators who have followed this method have expressed strong support for the structured approach provided in the Management Assessment. They generally agree that using the Management Assessment helps them comply with Title IV regulations and develop improved operations tailored to the capabilities of their institutions and the needs of the students they serve.

The federal provisions within the Management Assessment are presented in five broad categories that highlight the major functional processes of the student financial aid delivery system between ED and institutions. Direct Loan institutions are encouraged, but not required, to complete this assessment to strengthen their management practices and administrative procedures as they deem necessary. Those institutions electing not to perform the Title IV-Wide Management Assessment must, as an alternative, complete the abbreviated Direct Loan Management Assessment Worksheet in Step Three of the *QA Planning Guide*.

Institutional Participation: As stewards of federal funds, institutions must meet certain eligibility standards to assure that Title IV funds are delivered to students accurately and effectively.

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Fiscal Management: To effectively transmit funds from the federal government to Title IV recipients, institutions must have sound financial systems and procedures in place.

↓

Recipient Eligibility: Institutions are charged by the federal government to ensure that Title IV applicants meet all the required provisions to be considered for and to receive student financial aid.

↓

Award Calculation and Disbursement: Financial aid administrators must be mindful of specific federal provisions that set parameters on the type, amount, timing, and sequence of financial aid awards to meet the financial need of Title IV recipients.

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Reporting and Reconciliation: As with other business operations, institutions must maintain record systems that are auditable, that allow for preparation of appropriate reports, and that allow for reconciling accounts and adjustments made to financial aid awards.

TITLE IV-WIDE
MANAGEMENT ASSESSMENT WORKSHEET

A. INSTITUTIONAL PARTICIPATION

Major Functional Requirements	Inventory of Existing Procedures			Priority for Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Determining Institutional and Program Eligibility 1. Is your institution currently accredited by a nationally recognized accrediting agency that is approved by the Secretary of Education, and are all the programs for which federal aid is offered included in that accreditation?					
2. Is your institution currently licensed to operate within a state in accordance with §600.4 - 600.7, and are all of the programs for which federal aid is offered included in that approval?					
3. Has your institution ensured that it is operating in accordance with the provisions stipulated in the signed Program Participation Agreement? (HEA and §668.12)					
4. Can your institution ensure that it awards financial aid only to students enrolled in courses meeting the requirements of an eligible program?					
5. Does your institution confirm, on an annual basis, that the duration of your academic year meets the minimum requirements? (HEA 1992)					
6. If your institution does not offer a 2-year associate or 4-year bachelor degree program, have you determined that no more than 50 percent of your students were admitted under the Ability to Benefit (ATB) provisions? (HEA 1992 §484(d))					

A. INSTITUTIONAL PARTICIPATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Priority for Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Determining Institutional and Program Eligibility (continued) 7. For all students in a given course of study, does your institution use the same academic year definition, and does each such definition incorporate at least 30 weeks? (HEA 1992)					
8. If your institution offers educational programs at locations other than your main campus, does it have written confirmation from ED's Institutional Participation Division as evidence of approval for Title IV funding? (§600.21)					
9. If your institution offers courses by correspondence, has it determined that no more than 50 percent of its courses are offered by correspondence or that no more than 50 percent of its students are enrolled in correspondence courses?					
10. If your institution offers programs to incarcerated students, has it determined that no more than 25 percent of its enrolled students are incarcerated or has it received a waiver of this prohibition from the Secretary of Education? (HEA 1992)					
Coordinating Major Financial Aid Responsibilities 11. Has the financial aid office or another entity within the institution been designated to coordinate all sources of assistance offered to students throughout your institution?					
12. Has your institution designated an adequate number of trained, capable personnel to administer the student financial aid programs? (§668.14)					

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A. **INSTITUTIONAL PARTICIPATION (continued)**

Major Functional Requirements	Inventory of Existing Procedures			Priority for Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Coordinating Major Financial Aid Responsibilities (continued) 13. Does your institution have a system to coordinate all information relating to students' eligibility to participate in the Title IV programs?					
14. Does your institution have valid consortium agreements that contain all required provisions for all applicable students? (§600.9)					
15. Does your institution monitor the default rates under the Perkins and Part B Loan programs and initiate action if those rates approach 20 percent? (§668.15)					
16. Does your institution have a plan for default management, and is it being implemented in all respects?					
17. Is there an office responsible for calculating and monitoring the institution's student withdrawal rate and initiating appropriate action if that rate approaches 33 percent? (§668.15)					
18. Has the institution identified all affected institutional components and assigned responsibility for implementing, prior to and during academic year 1996-97, a quality assurance system that will satisfy ED requirements? (§454(a)(5) HEA)					
Disclosing Information on Title IV Participation 19. Does your institution publish all of the consumer information required by §668.43 and 668.44?					

A. **INSTITUTIONAL PARTICIPATION (continued)**

Major Functional Requirements	Inventory of Existing Procedures			Priority for Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Disclosing Information on Title IV Participation (continued) 20. Does your institution routinely make available the written consumer information and disclosures to all current and prospective students? §668.41 and 668.42)					
21. Are the Satisfactory Academic Progress (SAP) standards and procedures by which a student who has failed to maintain progress and who may re-establish eligibility for Title IV assistance published and readily available to all students? (§668.14)					
22. Does your institution have a standard of Satisfactory Academic Progress (SAP) that contains all of the elements required under §668.14, can the SAP standard be easily applied, and is it clear enough to be understood by your staff and students?					

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B. FISCAL MANAGEMENT

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Establishing Accounting Systems 1. Does your institution have a system to ensure that federal funds are used only for program purposes?					
2. Has the institution reviewed its debtor position to determine if it meets all of the standards for financial capability (§668.13) and is in compliance with §453(c)(2)(G) HEA?					
3. Are separate offices and individuals responsible for awarding aid and disbursing funds?					
4. Does your institution have standard procedures to ensure that it accounts accurately for the receipt and disbursement of all aid funds?					
5. Does your institution ensure that it only draws down funds to be disbursed within the time frame prescribed by the system you are using?					
6. Does your system allow you to identify by program the amount of federal cash at your institution at any given time?					
7. Can your institution ensure that it does not charge fees of any kind to promote, originate, or administer federal aid programs? (§454(a)(6) HEA)					
Coordinating Program-Specific Funds 8. Does your institution monitor authorization amounts and ensure that cash draws and expenditures are within those authorizations?					

B. FISCAL MANAGEMENT (continued)

Coordinating Program-Specific Funds(continued) 9. Are federal funds deposited into accounts that are properly established and identified for this purpose?					
10. Does your institution properly calculate its Administrative Cost Allowance under the campus-based programs?					
11. Does your institution have a system to ensure that it is contributing the correct institutional match of program funds toward campus-based disbursements and that the institutional share is being provided within the appropriate time frames?					
12. Are all fund transfers within the campus-based programs within the allowable award year and program limits?					
Ensuring Adequate Auditing Practices 13. Does your institution have a procedure to ensure that your Title IV programs are audited annually by an independent agent and that the audit report is submitted to ED within the appropriate time frame?					
14. Does your institution maintain an accessible audit trail for each transaction, allowing you to easily trace financial data that identify individual student disbursements and total aid awarded?					
15. Does your institution's system reconcile all Direct Loan Program activity that occurs during a 30-day period before the following 30-day period?					
16. Does your system easily identify excess cash (including interest earned on federal funds) and routinely and promptly return monies to program accounts or to the appropriate federal department?					

C. RECIPIENT ELIGIBILITY

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Evaluating Student Eligibility 1. Does your institution have a system to verify that financial aid recipients meet all eligibility requirements in accordance with §668.7 of the Student Assistance General Provisions?					
2. Does your institution have a system to ensure that all financial aid recipients possess a high school diploma or equivalent or demonstrate the Ability to Benefit (ATB) from the training provided? (§668.7 and HEA 1992)					
3. Does your institution have a system to ensure aid is provided only to regular students (enrolled for the purpose of receiving a degree or certificate) unless exempted by the Higher Education Technical Amendments (HETA) or HEA 1992. (§668.7)					
4. Does your institution have a policy for granting "leaves of absence" and, if so, is there a procedure for determining if a student returns from leave? §682.605)					
5. Does your institution have a system to ensure that Title IV financial aid is provided only to students in an eligible citizenship category and to identify eligible noncitizens for whom documentation is required? (§668.7)					
Collecting Required Documentation and Verifying Data 6. Does your institution collect and maintain the data relevant to each student's application for federal aid (i.e., SAR, ESAR, or ISIR)?					

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C. RECIPIENT ELIGIBILITY (continued)

Collecting Required Documentation and Verifying Data (continued) 7. Does your institution have a system for collecting all required student certifications and statements?					
8. Does your institution have a system to identify the need for and collect all required financial aid transcripts for students who attended a prior postsecondary institution? (§668.19)					
9. Does your institution have a system for identifying or resolving conflicting information in accordance with §668.14?					
10. Is your institution in compliance with all applicable verification regulations found in §668.53-668.60? (If you are a Quality Assurance Program (QAP) institution, see the QAP workbook for exemptions.)					
Determining Cost of Attendance 11. Has your institution determined proper budgets or cost of attendance (COA) to use in determining students' need for federal aid programs? (HEA of 1992)					
12. Are costs of attendance properly calculated, prorated based on academic year length when necessary, and, if appropriate, adjusted for students who are studying abroad, incarcerated, or enrolled in correspondence courses?					
13. Does your institution have a COA policy ensuring that COAs are determined based on costs associated with credit/clock hours and costs associated with weeks of instructional time, and are prorated based on full-time, full-year costs?					

D. AWARD CALCULATION AND DISBURSEMENT

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Disbursing Pell Grants 1. Does your institution have a procedure to ensure that Federal Pell Grant disbursement amounts are calculated based on incorporating the 30-week minimum academic year and standards for weeks of instructional time and credit/clock hours earned? (HEA 1992)					
2. Does your institution use a nine-month expected family contribution (EFC) to determine a student's Federal Pell Grant?					
3. Does your institution have a system to ensure receipt of a valid SAR, ESAR, or official EFC on roster or tape (ISIR) while a student is still enrolled and eligible?					
4. Does your institution ensure that all Electronic SARs are signed by all required persons and that alternate eligibility output documents are signed by students to attest that the information reported has been reviewed and is accurate?					
5. Does your institution schedule Federal Pell Grant disbursements often enough so that no one disbursement exceeds half of the annual award (for example, in the case of a non-standard term that exceeds half of the academic year, at least two disbursements are scheduled during the term)?					
6. Does your institution have a system to ensure that Federal Pell Grant payments are properly reported to ED?					

D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Disbursing Pell Grants (continued) 7. Does your institution have a system for monitoring student completion of the portion of a term for which he or she was initially paid, to ensure that subsequent disbursements within the term are not made until the portion previously paid for has, in fact, been completed?					
8. For non-term programs, does your institution have a system to ensure that midpoint disbursements are not made until the student has completed both the minimum weeks and clock/credit hours required in the payment period?					
9. Does your institution ensure that awards to incarcerated students, if eligible for Federal Pell Grants, are within appropriate maximums?					
Packaging Campus-Based Awards 10. Does your institution make campus-based aid reasonably available to all of the students represented in your FISAP Eligible Aid Applicant Grid (Part II, Section E), including students attending non-main campus locations?					
11. Are FSEOG funds first awarded to Federal Pell Grant eligible students with exceptional need (lowest EFC)?					
12. Are Federal Perkins Loan funds first awarded to students demonstrating exceptional need (lowest EFC)?					

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D. AWARD CALCULATION AND DISBURSEMENT (continued)

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Packaging Campus-Based Awards(continued) 13. For Federal Perkins Loan Program recipients, does your institution have procedures to determine borrower eligibility for forbearance, deferment, and cancellation provisions?					
14. Does your institution have procedures to ensure that due diligence is performed in accordance with requirements of Subpart C, §674.41 - 674.50 of the Federal Perkins Loan Program regulations?					
15. Does your institution have an adequate document control system to track and safeguard signed loan notes?					
16. Does your institution have a system to monitor Federal Work-Study (FWS) earnings and adjust subsequent awards or disbursements as necessary?					
17. Does your institution pay FWS earnings at least monthly?					
18. Does your institution have procedures to ensure that at least 5 percent of your FWS funds are paid to students in service to the community?					
Providing Federal Family Education Loans (FFEL) 19. Does your system ensure that information provided and certified on student loan applications is accurate and complete?					
20. Does your institution determine a student's eligibility for a Federal Pell Grant prior to certifying him/her for an FFEL loan?					

D. **AWARD CALCULATION AND DISBURSEMENT (continued)**

Providing Federal Family Education Loans (FFEL) (continued) 21. Prior to certifying an unsubsidized Federal Stafford loan for a student, do you make a determination of eligibility for a subsidized loan?					
22. Does your institution have standard procedures to notify a student in writing if you decline to certify a loan?					
23. Does your institution have a system to ensure that the first payment of a Federal Stafford loan or an unsubsidized Federal Stafford loan made to a first-year, first-time undergraduate student is not released until the borrower has completed the first 30 days of his/her program of study?					
24. Does your institution have a procedure for ensuring that students are provided with all of the information stipulated in the entrance and exit interview requirements of the federal loan programs? §682.604)					
25. During exit counseling, does your institution have a procedure to ensure that you obtain required or updated information from the borrower in accordance with requirements stipulated in the HEA of 1992?					
26. Does your institution have a procedure established so that students may obtain loans under any state-sponsored or private loan program to offset the EFC? (§454(a)(1)(B) HEA)					
Awarding Federal Direct Student Loans 27. Has the institution defined financial aid awarding procedures for use during the 1996-97 academic year for student and parent borrowers? §454(a)(4) HEA)					
28. Has your institution put in place disbursement procedures for Direct Loans as required by §455(j) of the HEA as amended?					
29. Does your institution have a system to ensure that a properly executed promissory note is obtained from a Direct Loan borrower prior to releasing any loan proceeds to the student?					
30. Has the institution identified the appropriate level and type of automation to best meet its needs in administering the Direct Loan Program?					
31. If you do not originate loans under the Direct Loan Program, have you assigned responsibility and defined procedures for forwarding to ED all student eligibility data needed for alternative loan origination? (§454(a)(1)(E) HEA)					

E. REPORTING AND RECONCILIATION

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Adjusting Awards 1. Does your institution have standard procedures for adjusting disbursements as necessary as a result of verifying data, resolving conflicts, changes in student status, or receipt of additional aid?					
2. For changes in a student's projected enrollment status, does your institution have a policy to determine if Federal Pell Grant awards must be recalculated that takes changes in COA into consideration and is applied consistently to all students?					
3. Does your institution have standard procedures for reporting changes in awards to the student, the central processor, and other institutional offices as appropriate?					
4. Does your institution maintain documentation of adjustments made to data elements used to calculate the cost of attendance (COA) or the expected family contribution (EFC)?					
5. Does your institution properly document changes in students' dependency status or other changes involving professional judgement on a case-by-case basis?					
Providing Title IV Refunds 6. For the purpose of refunding Title IV funds, does your institution have a procedure in place to identify students who register but never attend classes so that financial aid that has been disbursed/credited to the students' accounts can be returned?					

E. **REPORTING AND RECONCILIATION (continued)**

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Providing Title IV Refunds(continued) 7. For the purpose of determining when a refund must be paid, does your institution have a system for determining a student's last day of attendance? (§682.605)					
8. Is your institution's refund formula fair and equitable, allowing for the most beneficial treatment for students in accordance with §484B of the HEA?					
9. Do your institution's internal controls ensure that refund calculations are performed in a timely manner and are mathematically correct?					
10. Does your institution have a system to ensure that refunds are made within required time frames and credited to the appropriate Title IV accounts in accordance with the refund distribution order as specified in §485 of the HEA of 1992?					
11. Does your institution have procedures to ensure that the *pro rata* refund formula is used for all first-time students who withdraw prior to the 60 percent point in the term?					
12. Does your institution have a system for ensuring that credit balances are promptly delivered to students unless a student has voluntarily provided written authorization to the institution to retain those funds for future charges?					
13. Does your institution ensure, when determining the amount it is entitled to retain, that it excludes the unpaid balance owed by the student on the account in accordance with §668.22?					

E. REPORTING AND RECONCILIATION (continued)

Major Functional Requirements	Inventory of Existing Procedures			Priority of Improvement Actions	
	N/A	No improvement action needed at this time	Improvement action needed	Near-term improvement required	Long-term improvement desired
Reporting and Recordkeeping 14. Does your institution reconcile Title IV disbursement records (general ledger/journal of expenditures) to other data sources (for example, authorization levels, EDPMS 272 Reports, FISAP, and Student Payment Summary Reports) and maintain verifiable, auditable data in support of these records?					
15. Does your institution's system facilitate the timely filing of all required program reports, such as EDPMS 272, Pell Grant IPS, and campus-based FISAP, and required audits and financial statements?					
16. Does your institution have a procedure to ensure that the FISAP is prepared properly and electronically submitted to ED by the stated deadline of each year?					
17. Does your institution verify that accurate information on student status is reported for all borrowers to ED or the appropriate guaranty agency? (§682.610 and §454(a)(1)(E) HEA)					